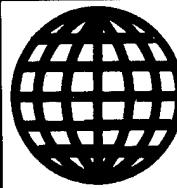


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CONTENTS

28 NOVEMBER 1990

ARMENIAN AFFAIRS

Catholicos Welcomes Independence Declaration [Paris HARATCH 14 Sep]	1
APM Urges Karabakh Solution Through Talks [Paris GAMK 19 Sep]	1
Dashnak Presence in ArSSR Praised [Paris GAMK 19 Sep]	2
ArSSR Deputy Urges Realism on Independence [Paris HARATCH 21 Sep]	3
Communist Party Congress Convenes in Yerevan	4
Renaming of Party Discussed [Paris GAMK 28 Sep]	4
Party 'Inactivity' Deplored [Paris GAMK 29-30 Sep]	5
European ARF Delegation Visits ArSSR, NKAO	6
Meeting with Prime Minister [Paris GAMK 6-7 Oct]	6
Delegation Barred from NKAO [Paris GAMK 6-7 Oct]	7
Turkish Army 'Measures' Reported on ArSSR Border [Istanbul MARMARA 7 Sep]	7
Trade Ties With Turkey Sought [Istanbul MARMARA 27 Sep]	7

NEAR EAST

REGIONAL AFFAIRS

King Husayn's Control Over Islamic Factions Questioned [Tel Aviv HADASHOT 14 Nov]	9
---	---

PALESTINIAN AFFAIRS

Removal of Israeli Authority Said to Be Goal [Tel Aviv HADASHOT 7 Sep]	9
PLO Reportedly Threatened By Arab World Split [Tel Aviv 'AL HAMISHMAR 6 Sep]	10

ALGERIA

PSD Calls for Shipment of Food to Iraqi Children [EL MOUDJAHID 29 Aug]	12
Pro-Iraqi Group Denounces Sanctions, Troops in Gulf [EL MOUDJAHID 29 Aug]	13

ISRAEL

No Advantage Seen in Holding Gaza [AL HAMISHMAR 25 Sep]	14
Spread of Intifadah to Israeli Arabs Disputed [HA'ARETZ 19 Oct]	14
Israeli-Ethiopian Relations Examined [MA'ARIV 3 Oct]	15
New Economic Plan Said Unpromising [AL HAMISHMAR 25 Sep]	17
Largest Companies on Stock Exchange Listed [MA'ARIV (Business Supplement) 9 Oct]	18
Functional Use of Gas Masks Detailed [MA'ARIV 2 Oct]	24

REPUBLIC OF YEMEN

Editorial Examines International Impact of Blockade [AL-JUMHURIYAH 13 Sep]	26
Text of New Revenue Law [AL-THAWRAH 15 Sep]	27

SOUTH ASIA

BANGLADESH

Ershad 11 Sep Speech Proclaims Jatiya Unity [THE BANGLADESH OBSERVER 12 Sep]	32
Ershad Inaugurates Dam, Bigger Crops Predicted [THE BANGLADESH OBSERVER 21 Sep]	32
Visiting DPRK Official Meets Ershad, Results Told [THE BANGLADESH OBSERVER 16 Sep]	33
Commerce Minister Discusses Exports to Mideast [THE NEW NATION 14 Sep]	33

Crash Program for Indigenous Oil Supply Planned	[THE BANGLADESH OBSERVER 25 Sep]	34
Government Directive Outlines Austerity Measures	[THE BANGLADESH OBSERVER 8 Sep]	34
Returned Workers from Middle East Face Hardship	35
Middle East Jobs Sought	[THE BANGLADESH OBSERVER 26 Sep]	35
Government Efforts Assessed	[THE NEW NATION 26 Sep]	35
Soviet Couple Granted Temporary Political Asylum	[THE NEW NATION 21 Sep]	36

INDIA

V.P. Singh, Others Speak At 8 Oct Patna Rally	[THE HINDU 9 Oct]	36
India Said To Thwart Iraqi Try Against Sanctions	[THE HINDU 9 Oct]	37
Effects of Gulf Crisis on Indian Economy Discussed	38
Official Estimates	[THE HINDU 6 Oct]	38
Mideast Imports Affected	[THE TIMES OF INDIA 23 Sep]	39

IRAN

Heavy Industries Ministry Issues Production Statistics	[JOMHURI-YE ESLAMI 8 Sep]	40
Ayatollah Azari-Qomi Interviewed on Assembly of Experts	[RESALAT 30 Sep]	40
Sudanese Delegation Meets Defense Minister	[ETTELA'AT 2 Oct]	44
Castro Sends Message to Rafsanjani	[JOMHURI-YE ESLAMI 6 Sep]	44
Literary Rate Rose to 67.7 Percent During Last Decade	[JOMHURI-YE ESLAMI 9 Sep]	44
Employment of Women as Secretaries, Operators Discouraged	[JOMHURI-YE ESLAMI 9 Sep]	45
Intercity Phone Line To Be Converted to Digital	[London KEYHAN 26 Oct]	45

Catholicos Welcomes Independence Declaration

91AS0084C Paris HARATCH in Armenian
14 Sep 90 pp 2, 3

[Text of address by Catholicos of All Armenians Vazgen I on the occasion of the Armenian Supreme Soviet's declaration on the independence of Armenia; originally broadcast by Yerevan television service on 5 September]

[Text] Our devoted people:

1. With the declaration of the Armenian Republic as a free and sovereign state, we stand as a nation on the threshold of a new period in the turbulent itinerary of our centuries-old history.

2. We welcome this historic declaration and the election of the president, the prime minister, and the government of our new Republic with the same inspiration and luminous hopes as our late predecessor, His Holiness the Catholicos Gevorg V, did on 28 May 1918.

May God bless our entire nation and our free state, for the Apostle Paul enjoins us from his 2,000-year-old vantage point, "you are destined to be free, brethren" (Galatians 5:13). May God safeguard and illuminate their path leading to the realization of all the just expectations of our people.

3. At this solemn moment, we, the pontiff of all Armenians in Armenia, and the Diaspora on behalf of the Apostolic Church of Armenia, consider it our sacred duty to continue with more vigor the mission of Holy Echmiadzin by words and by deed to mold the spiritual and moral life our people, to rebuild our reborn motherland, and to help our national culture to reblossom, led by the light of the Holy Testament of Christ and the patriotic spirit of our freedom-loving ancestors.

4. It is time for our people in both the Motherland and the Diaspora to extricate themselves from the old molds of thinking and acting with a new spirit. In the words of the Apostle: "Clean up the old mixture so that you can become a new edifice" (I Corinthians 5:13).

It is also necessary to liberate ourselves from the narrow limits of national thinking and to consolidate and to reevaluate constructively our authentic national values by raising them to the level of today's universal concepts and values in cultural, social, and political spheres.

God and the entire world are witnesses that the centuries-old Armenian people continue to live and struggle at the foot of the sacred and legendary Mount Ararat as a free and sovereign nationality; as one body, one spirit and one will; and as a modern democratic state of law which is marching toward the source of light with a noble struggle.

5. We continue to pray that all of our people with all of their organizations, public associations, and ideological currents, deeply aware of the security of the Motherland and the supreme interests of the nation, will preserve

their fraternal unity, their balance of thought, and the legality and discipline of their actions. Lawlessness is the antithesis of the sovereignty of the state and the freedoms of the people.

6. It is our wish that, in a union of sovereign republics and among the nationalities of the Transcaucasus, relations of harmonious cooperation based on truth, justice, human rights, and the imperatives of nations' self-determination will be consolidated.

We are convinced that putting these principles into practice can lead to a truly just settlement of the natural and legitimate demands of the Armenian population of Nagorno Karabakh to chart their own destiny with their free will. It is difficult to establish peace and fraternity among nationalities without respecting the right of self-determination of each nationality. In our opinion this is the basis of the encouraging new policy of restructuring and democracy that the most senior leadership of the Soviet Union has adopted in our day.

In view of these principles, it is imperative to avoid any bloody interethnic conflicts which can hardly promise any benefits to anyone.

7. We call upon the newly elected leaders of the government of our homeland to make every effort for the realization of the noble aspirations of our people with wisdom and good judgement because the consolidation of the vital interests of the Motherland looms as the supreme imperative.

"Divine Lord, our supreme judge, we ask for your boundless mercy to preserve and to protect forever the newly declared Armenian Republic and to bestow upon our Armenian nation luminous transfiguration for productive development and life-giving peace, now and forever, amen."

APM Urges Karabakh Solution Through Talks

91AS0084B Paris GAMK in Armenian 19 Sep 90 p 4

[Text] A scheduled rally of the Armenian Pannational Movement [APM] convened at 7 pm on 14 September. Before the meeting started, a demonstration march organized by the National Self-determination Association [NSA] passed through the Sayat Nova Boulevard which ends in the square where the APM rally was held shouting slogans of "Ayrikyan" and "independence."

Approximately 5,000 people participated in the rally. The rally was opened by Vano Siradekhyan. The speakers also included an APM member who had just returned from Artsakh and who outlined the latest situation in Artsakh and said that the defense of Shahumyan and Gedashen remains the top problem.

During his speech Siradekhyan said that it is incorrect to think that Armenians have not taken hostages and pointed out that the Armenians of Artsakh have taken approximately 100 hostages. Then he said: "Here I have a letter on that issue. It asks why our delegation has

declared that Armenia has no territorial demands from Azerbaijan and what right it has to make such a statement on behalf of the people. I do not know what delegation the letter is referring to, but since March 1988 the Karabakh Committee and the APM have stated that we have no territorial demands from Azerbaijan. Karabakh wants self-determination and wishes to unite with Armenia. That is not a territorial demand. This is nothing more than a blatant attempt to distort the nature of Artsakh demands."

Siradekhyan noted that the Azeri Popular Front continues to be repressed, its members remain imprisoned, and that the status of Artsakh will remain uncertain until elections [in Azerbaijan] are concluded. He added that if the Popular Front becomes the government in Azerbaijan it will not take an aggressive posture with regard to Artsakh as the communists in Baku have done. Siradekhyan then declared: "The people of Azerbaijan are tired of fighting over Artsakh; so are we." The people gathered did not expect such a statement, and a wave of discontent began to swell. The people's grievance turned into a widespread uproar, and the speaker was forced to interrupt his address for a moment.

Siradekhyan stated that Armenian officials were accused of harboring territorial demands during talks in Moscow. Stating that he is not authorized to speak on behalf of the government, Siradekhyan said that Armenian officials have proposed to resolve the Artsakh issue through negotiations. He added: "We have already become virtually independent together with Artsakh. If nothing is gained from those talks we will secede from this country. Then everything will be better."

Speaking about the APM organization, Siradekhyan said that the APM remains a movement, but that a powerful national democratic party is taking shape inside it. A scheduled congress of the APM is expected to take place in November.

The NSA demonstrators entered the square with their placards and slogans as the rally was coming to an end. That created a complete chaos in the square. Just at that time Babgen Araktsyan, the first deputy chairman of the Presidium of the Armenian Supreme Soviet, was given the megaphone. He said that the Supreme Soviet is examining the case of [exiled nationalist dissident] Paruyr Ayrikyan and that NSA representative Gevorg Mirzoyan has been told that the Presidium restored Ayrikyan's citizenship on 12 September. Responding to the NSA's demand that the government make a formal declaration about that, Araktsyan said that he does not find that appropriate. He then said that Gevorg Mirzoyan wants to speak. The participants at the rally expressed their opposition by jeering. When Araktsyan insisted, NSA member Aramazd Zakaryan was allowed to speak. However, fighting began before he could complete his address.

The participants in the rally seized the placards from the demonstrators and burned them a little later. A few people were beaten and thrown on the ground. The rest fled shouting "Ayrikyan."

After these events Araktsyan declared that Siradekhyan has been elected the leader of the APM administration and that the registration of individual members in APM will begin soon.

At the end of the rally, a representative of the Mashtots Association spoke and urged the people to help them implement the decision of the Ministry of Education on national schools.

Dashnak Presence in ArSSR Praised

91AS0084A Paris GAMK in Armenian 19 Sep 90 p 2

[Article originally published in the August 1990 issue of Yerevan MUNETIK by Aram Karapetyan, doctoral candidate of physical and mathematical sciences: "The Armenian Revolutionary Federation is Indestructible, Like the Collective Will of the Armenian People"]

[Text] [GAMK editor's note] The historic declaration of the Bureau of the Armenian Revolutionary Federation [ARF] on 8 August 1990 was published in several newspapers in Armenia. Our people in the Motherland received the declaration with great enthusiasm. This is evidenced by the articles that have appeared in the Motherland press about the ARF.

Below and in following columns are two articles taken from the Motherland press.

[Begin article] Rejoice Armenians because today you celebrate victory! August 8, 1990 has become a revolutionary and historic day in the life of the Armenian people. After 70 years of repression and bans, one of the oldest Armenian political parties announced the resumption of its organizational activities in the Motherland. That party is the ARF which established the united, free, and independent Armenia and which gave thousands of martyrs for that sacred and sanctified idea. Note that it did not return from somewhere else as an exiled party, but announced its presence in Armenia. Indeed it had never left and was with us on the soil of the Motherland through times of deprivation and triumph. It stood with us believing that the day will come when it will be able to proclaim: "In view of the present state of affairs in the Armenian Republic, in particular the peril that threatens Artsakh and the imperatives of the current phase of our continuing national liberation struggle, the Armenian Revolutionary Federation hereby announces its organizational presence throughout Armenia."

The moment is truly symbolic. Consistent with its mode of operation for the last 100 years, the ARF has entered the political arena as an overt organization at a time which requires supreme responsibility, just as it did in 1890, 1915, 1918, 1921 and 1970. With its unbreakable will and enthusiasm, the ARF was throughout its history

and remains today the leading brigade of the Armenian struggle for freedom and has taken with it the best and most organized forces of the Armenian nation. Beginning with the organization of the guerrilla movement through the building of an internationally powerful and influential party, the ARF remained loyal to the slogan invoked by Dashnak pioneers: "Freedom or death." It never retreated and never declined. The ARF endured history's difficult tribulations and lost many martyrs, but it never lost hope or panicked. Each time, it strengthened its ranks and continued the struggle on behalf of the sacred ideas of the Armenian people.

For 70 years they tried to convince us that the Dashnak Party is an oddity in the Armenian reality and at different times labeled it as an enemy of the people, a tool of imperialism, a public organization, and so forth. However, this absurd propaganda failed to discredit the Dashnak Party whose ideas have expressed the mind and will of the entire Armenian nation for a century. The Armenian people could not forget Nezhdeh, Dro, Akhbur Sero, Hrair Dzhokhk, Gevorg Chavush, Andranik, the great Aram and Nikol Akhalyan. It could not forget 28 May, the sacred tricolor, the free and independent Armenia, and the homeland.

Over those 70 years, the party became an internationally recognized powerful force. No ruling or overthrown party of any captive nation in the Soviet Union today has survived until these days. Only the ARF has survived. It has survived because it was never cut off from the soil and the people of the Motherland.

The steps taken for the recognition of the Armenian Cause in different forums of various countries are well known (the European Parliament resolution of 1987, the declarations of the Argentine and Uruguayan governments in 1985, the declarations of the Greek and Cypriot governments in 1990, President Bush's statement in 1990 and others). In the 1970s spirited and devoted Armenian young men started assassinating Turkish officials, forsaking their own lives in order to make the Armenian Cause heard around the world and in the highest international forums. To this day, some of them suffer in the jails of various countries having been sentenced to life imprisonment. Some of them did not even have that much good fortune; having completed their mission, they endured torture but refused to utter a single word of repentance, and they went to the gallows with befitting Dashnak pride while remaining loyal to their oath.

Eternal glory on them.

In the new phase of the political struggle, which began with the campaign for the reunification of Artsakh with Armenia, the ARF enthusiastically offered its political, economic and strategic resources for the realization of that goal. Aware of the present danger to Artsakh, the party decided to participate overtly in the work to resolve the problem.

Having endorsed the slogan "the interests of the people supersede the interests of parties," the ARF declared that it is prepared to collaborate with all forces devoted to the nation in the process extending "from the establishment of a sovereign status to the building of a united, free, and independent Armenia."

Yes, a historic revolution has occurred in our reality. A colossal force has entered the political arena. That force has a solid organizational structure, built over decades, and economic, political, social, and strategic plans. The Dashnak Party's plans for the future demonstrate that the present leaders of the party are proud and honored by their work and are the direct descendants of Aram, Dro, Rostom and Nezhdeh and the carriers and practitioners of their eternal ideas.

Given that the building of a united, free and independent Armenia requires a long-term and difficult struggle, the Dashnak Party has announced to the entire world that "we must persevere, struggle, and attain our national aspirations through phased accomplishments."

Nothing can sway us from this course.

ArSSR Deputy Urges Realism on Independence

91AS0234E Paris HARATCH in Armenian
21 Sep 90 p 2

[Report by A. Totoyan: "Politics is First and Foremost Strength"]

[Excerpts] Ktrich Sardaryan is the chairman of the Committee on Establishment of Independent Statehood and National Policy of the Armenian Supreme Soviet. Unlike other committees, this committee has no responsibility to resolve immediate everyday problems, but has the task of setting its sights as far into the future as possible and focusing on the correct future plan. It is this committee which will decide the future steps of the country. Such steps would perhaps not be so hard to decide for a country which has had a more or less normal change of regime; but Armenia, which did not have the good fortune of coming across even the remotest likeness of "normalcy" in its rocky course of the past 70 years, permits no chance of erring to the committee headed by Sardaryan.

Before being elected parliamentary deputy, this young face on the political scene became known to people who had the chance and the motivation to monitor Armenia's free press with his pertinent and persuasive political analyses about an independent republic and the period thereafter. According to Sardaryan, a correct evaluation of the past is an assurance of the correct determination of future steps. After all, the mission of history is not just to tell a story. Forgetting that point would mean being content with the most modest of history's roles and disregarding its capacity to point to correct conclusions for today. Whatever we have read by Sardaryan so far assures us that he has a full grasp of our history.

ARMENIAN AFFAIRS

JPRS-NEA-90-070
28 November 1990

An interview with Sardaryan by Artur Andranikyan in the 28th issue of HAYK (24 August) expands the limits of that assurance. [passage omitted]

Will not the task of restoring a national state begin by correcting the mistakes of the past? Is not one of the Committee's tasks to expose the Bolsheviks who contributed significantly to Russian-Turkish collaboration? Sardaryan replies: "For me history and the invocation of history have only moral significance in politics. It is also obvious that you cannot engage in politics purely on a moral basis. Politics is first and foremost strength and sound calculation. We can have a state only if we are realistic." He adds: "We must expose the pages of history. The new generation must be instructed well so that it does not repeat the mistakes of the past and so that it acquires the national awareness of being the owner of this land and homeland." He clearly identifies the place and role of history: "We must make history serve politics. We must do that so that the Armenian individual is devoted to his land and water and so that he does not permit the foreigner's yoke on his neck." [passage omitted]

In Armenia as well as in the Diaspora there are worshippers of the past who are sworn not to shed their decaying molds and who put forward their political ideas on every occasion without realizing that the contents of that plate have melted away having been chewed for too long. Principal among these perceptions is the inclination to appeal to international organizations, even though the lessons we learned on that issue between 1919 and 1923 are enough for all of our future generations. Sardaryan adds: "The League of Nations and others spoke very good and lofty words to the Armenian people at that time (1919-1923). They welcomed a state for it, but when Turkey attacked Armenia they did not raise their finger." It is rejoicing to see that the Armenian political scene finally has people who can say with conviction and courage: "If we think that the UN and the European Parliament would help the Armenian people only because our cause is just, then we are badly mistaken. You must win your own rights; the moment of recognition will naturally follow."

After underscoring these fundamental though deliberately and frequently ignored realities, Sardaryan speaks about deeds. What needs to be done today? What is the present situation? "If we cannot stabilize the situation and demonstrate to the people as a government that a government is the only means of salvation, that we cannot achieve anything with gardening and a guerrilla mentality now or in the future (as the present developments prove) [sentence incomplete as published]."

As is known, the triumph of democracy was paralleled by the severe threat of lawlessness. Many even thought a civil war was probable. Armed groups were formed in the country. Their emergence in such a critical time brought back memories of our old guerrillas accompanied by sadness, pride, and enthusiasm. Young Armenian armed men went to defend Armenia's borders and to stand up

for our land and water. But soon this pride and enthusiasm was tainted by murky waters, as we learned on a daily basis that there were also opportunist elements in the armed groups in quest of completely different objectives. Sardaryan says that what was most disconcerting was neither their robberies nor their murders. He continues: "It was their sponsors. It was obvious and natural that they were backed by circles who did not acquiesce in the democratic changes and the reality that the people have initiated a process of independent statehood. That never interested them. They may deliver speeches from podiums, but they always pursued a policy of destroying the nation."

The last segment of the interview is on independence. Sardaryan says: "The nation must choose between living as an independent entity or not living at all. Living in a state of slavery is intolerable for all nations with dignity. But that does not mean that we must move from one extreme to the other without preparation."

For every Armenian, the concept of a united homeland is inseparable from the issue of independence. This issue, which has provided more material for speeches than practical steps since the days of our devastation, is also brought up in the interview. Sardaryan says: "A few days ago it was stated in the parliament in a pathetic tone that the Treaty of Sevres must be implemented without delay." Is that not unexpected? Then what? Sardaryan says: "It is easy to say 'without delay.' But how? Turkey is a strong country. Today, do we want to establish a state on existing territories, or do we want to satisfy our dreams?" Does not that question render ineffective all the speeches and advices? Does it not mandate sincerity of thought? Does it not justify Sardaryan's conclusion: "We will demonstrate to our people by our deeds that the only means of salvation is an independent national state."

Communist Party Congress Convenes in Yerevan

Renaming of Party Discussed

*91AS0233A Paris GAMK in Armenian
28 Sep 90 pp 1, 4*

[Excerpt] The 29th congress of the Armenian Communist Party began on 25 September. The congress was called to discuss the renaming of the party and to adopt a new program and bylaws. That was one reason why one of the delegates to the congress called the meeting "fateful." The prolonged uncertainty that preceded the congress was the result of the prevailing confusion in the party over ideas and the steps that need to be taken.

The congress began with a proposal to hoist the tricolor [the flag of the Armenian Republic of 1918-1920], which was accepted. Then the delegates voted on the agenda of the congress which includes a reckoning for the past, a report to an investigative commission, discussion of a new program and bylaws, a report to a central investigative commission, discussion of the Artsakh issue, and discussion of other electoral plans. It was proposed to

hold the congress in two phases. The first phase of the congress will discuss the aforementioned items on the agenda and will be followed by an intermission. Then the programs endorsed will be debated in the press, after which a public referendum will be held about renaming the party and related issues. Then the congress will continue. This proposal was approved by the majority of the delegates.

Addressing the congress, [First Secretary] V. Movsisyan criticized the mistakes that were permitted in the past and said that the party failed to move rapidly in the area of national policy. He added that the crimes committed and the mistakes made resulted in the decline of the party's authority. He confirmed that many individuals have left the party ranks recently but claimed that these people had joined the party out of self-serving motives.

The next speaker was Akob Akobyan who criticized communists' national policy.

It was decided to submit a petition to Moscow with regard to Artsakh. The discussion of this petition led to an address by Oleg Sheyni, the representative of the Politburo of the CPSU. Sheyni told the delegates that Gorbachev has written to [Chairman of the Armenian Academy of Sciences Viktor] Ambartsumyan expressing his respect for him and urging him to end his hunger strike. He said that the center wants to restore peace in Artsakh at any cost and that it is natural to have Soviet authority exercised in Soviet territories. Commenting on the structure of the Communist Party, he declared that he does not understand and cannot imagine what "national communist party" means. Sheyni's speech was frequently interrupted by discontented shouts from the delegates.

As a result, the petition with regard to Artsakh was not endorsed, but it was decided to discuss it again. [passage omitted]

Party 'Inactivity' Deplored

91AS0233B Paris GAMK in Armenian 29-30 Sep 90 p 4

[Excerpt] The 29th congress of the Armenian Communist Party continued its work on 26 September. The future status of the party could not be decided on that second day. Akob Akobyan, a member of the coordination council for the party platform, said that the Armenian Communist Party must be independent of the CPSU, that it must have a social and democratic character and that it must be renamed the "Popular Democratic Party of Armenia." The presence of several programs has divided the party. Speakers who addressed the congress urged unity.

Several individuals spoke during this second day of the congress. All of them deplored the mistakes made in the past noting that the party has been inactive particularly in the last three years.

Poetess Silva Kaputikyan and Professor Lendrush Khurshudyan, the head of the Department of the History of the Armenian People at the State University of Yerevan, delivered notable speeches.

Kaputikyan addressed the accusations that have been leveled against her (let us note that the accusations have come principally from the Armenian Pannational Movement [APM]). She said: "I would have liked to take a critical posture with regard to the new authorities. After all, opposing the government has been a natural condition for me in the last 20 to 30 years. However, I see that there is nothing to criticize for the moment. Following a 10- to 13-minute phone conversation with President Gorbachev, the newly-elected president of the Armenian parliament behaved in exactly the way we, the so-called 'intellectuals of the nomenklatura,' expected." Kaputikyan charged that the mentality of rejecting everything that happened in the past is unacceptable and that it is wrong to deplore all members of the Communist Party indiscriminately because not all people joined the party out of opportunism. Kaputikyan stated that a multiparty system is imperative and that it can be ensured only by preserving the party known as "communist" because the Armenian Revolutionary Federation, the Social Democratic Clarion [Hunchak] Party and the Democratic Liberal [Ramgavar] Party are just beginning to take root in Armenia.

Lendrush Khurshudyan reiterated that the Communist Party has done nothing in the last three years. He said that "despite its powerful apparatus and press the party did not fight and suffered a humiliating defeat." He added that the party has been weakened.

Referring to the parliamentary elections, Khurshudyan said: "Why did the people who constituted the party apparatus and who were elected refuse to permit us to get elected? We could at least stand up and speak the truth. I know people who in the past applied for positions in the Central Committee and who are today applying for positions in the APM. It is interesting that an overwhelming majority of the Armenian intellectuals who were running as candidates in the elections were categorically rejected by the APM. That was the APM's prerogative and was a correct move. The APM did not want us because we had arguments to fight against them and to speak the truth about them. But why did not the Armenian Communist Party defend us?"

Khurshudyan added that Armenia is once again being run by a one-party system because, with the defeat of the Communist Party, the APM has seized power. He concluded: "They are trying to operate with the same Bolshevik and neo-Bolshevik methods. We escaped from one but jumped into the lap of another." [passage omitted]

European ARF Delegation Visits ArSSR, NKAO**Meeting with Prime Minister**

91AS0236A Paris GAMK in Armenian 6-7 Oct 90 p 3

[Excerpt] We reported the meeting between the European Parliament delegation and Prime Minister V. Manukyan in our yesterday's edition.

Below we provide the details of the meeting.

On 2 October, the Prime Minister of the Armenian Republic, V. Manukyan, received the delegates of the European Parliament, H. Sabi and K. Martinez, who were accompanied by representatives of the Armenian Revolutionary Federation [ARF], V. Krikorian, Jules Mardirosian and Hilda Choboyan. Also present at the meeting were the mayor of Yerevan, A. Kekhamyan; his deputy, B. Vardanyan; and French and Armenian journalists.

Mayor Kekhamyan started the meeting with an introduction of the guests who were in Armenia at the invitation of the Yerevan city hall.

This was followed by a speech by the Prime Minister. Greeting the European delegates, Manukyan said: "These are new times in Armenia as well as the USSR. We want to catch up with Europe not only economically but also in the area of the defense of human rights." [passage omitted]

H. Sabi introduced K. Martinez to the Prime Minister. Mr. Sabi said that the European Parliament has closely monitored the situation in Armenia in recent years and has expressed its position clearly with regard to the massacres of Sumgait and Baku and the struggle for freedom in Artsakh.

He stated that he has chosen V. Krikorian as his assistant and that Mr. Krikorian is authorized to establish international ties. Mr. Sabi said: "The ARF is an organization which would remind us Armenia even if we forget it." He recalled that the ARF initiated a campaign in the European Parliament to have the Karabakh Committee members released from prison. He described the work of ARF as enormously beneficial for Armenia.

Then the Prime Minister spoke again. He expressed thanks for the work that was carried out to have himself and his colleagues in the Karabakh Committee released from prison and noted that it was only recently decided to disclose the name of the leader of that committee.

The Prime Minister stated that the Armenian Republic has endorsed a declaration about achieving independence in stages while remaining within the structure of the USSR. He said: "Our goal is to build a democratic state where the social and human rights of every individual will be protected."

He noted that the concept of an "independent state" cannot be defined unambiguously. Manukyan said that

Armenia must seek to establish good relations with its neighbors regardless of their religious affiliation.

He referred to Turkey's case separately and said that the official recognition of the Armenian genocide by that country is of great significance. He added that all the prerequisites exist to establish economic ties with Turkey.

Referring to the Karabakh problem, Manukyan said: "Karabakh is one of the pieces of Armenia. The Armenians of Armenia and Karabakh aspire to form a single unitary state."

Manukyan placed top priority on securing for the Armenians of Karabakh the same rights and freedoms accorded to all the other peoples of the Soviet Union.

The Prime Minister pointed out an important observation: "Since 1988, Karabakh has become the testing ground for positive and negative phenomena."

He said that the present condition of Karabakh, where the military has been trying to interfere in politics with brute force, is disconcerting.

The Prime Minister also described the severe situation that has been created in Armenia and noted that natural gas to the republic has once again been cut off. He said that according to many people the latest Azeri acts against Armenia are related to the elections that will be held in that republic and that various fanatic groups in Azerbaijan want to exploit the Karabakh issue in their election campaign.

The Prime Minister told the European Parliament delegates that although the process of dissolution continues in the USSR, the situation in Armenia is stabilizing. He said that Armenia's principal objective is to become an entity with international rights while preserving its ties with other nationalities and republics.

In response to a question on whether the Armenian people would gain if Gorbachev is replaced, the Prime Minister described the president of USSR as a great and exceptional politician adding, however, that his policies have sometimes harmed the Armenian people. Manukyan said that even if President Gorbachev wants to create a unitary state like the United States, the peoples will aspire for independence.

Manukyan expressed the conviction that the West must not allow Gorbachev to sway from the path of democracy.

In response to a question on whether Armenia can ensure its own security, the Prime Minister said that that depends on the policy Armenia chooses. He said: "We want to be friends with various countries in the world by establishing multifarious ties." He welcomed Mr. Sabi's readiness to work for the establishment of ties between Armenia and the European Parliament. He said that Armenia is the first republic in the USSR which has established a ministry of foreign trade. He noted that the

central government is aware that it cannot rebuild the disaster zone in Armenia within the 2 years it promised because of the grave economic circumstances. He added that, as a result, the central government has agreed to grant special powers to Armenia to establish independent ties with foreign countries.

Referring to Karabakh again, the Prime Minister said: "We want the people of Karabakh to determine their own lives and to restore their government bodies."

At the end of the meeting, the participants underscored the importance of ties between Armenia and the European Parliament.

Delegation Barred from NKAO

91AS0236B Paris GAMK in Armenian 6-7 Oct 90 p 1

[Excerpt] The European Parliament delegation and the group that accompanied it, made up of representatives of the ARF [Armenian Revolutionary Federation] and local and French journalists, landed at Stepanakert's airport on 3 October.

However, military officials "detained" the delegation in a room in the airport first on the pretext of verifying visas and then arguing that they have no security guarantees. The delegation was kept in the room for 45 minutes under military guard.

The delegates tried to explain that they need to be in the city for at least one hour to present a donation to the city hall of Stepanakert and would like to tour Armenian as well as Azeri-populated regions to assess the general situation.

A staff officer, who declared himself fully authorized by General Safonov (he never identified himself but was Colonel Shevelev himself) explained that Safonov is ill and that he is substituting for him. He remained unmoved with regard to the restrictions he had imposed.

Moreover, the mayor of Stepanakert, Maksim Mirzoyan, remained effectively arrested together with the guests. Mr. Sabi said on this issue: "The Armenians who are the majority on this land are deprived of the right of ruling themselves."

The delegation was forced to return to Yerevan from the airport. [passage omitted]

Turkish Army 'Measures' Reported on ArSSR Border

91AS0084D Istanbul MARMARA in Armenian
7 Sep 90 p 1

[Text] GUNAYDIN correspondent Yunus Erdogan reports from Erzurum that the Armenian Republic has made it evident with successive decisions that it is preparing to declare war against Azerbaijan. As a result, the Turkish army has begun taking measures on the Armenian-Turkish border.

According to news reports, the Turkish authorities, concerned that the Armenians may engage in madness, have stepped up security measures on border sentry points. Additional military units have been dispatched to the sentinel points at Bonalan, Asagi Ciftlik, Tazekoy, Ramazankent, Kockiran, Alican and Markara.

Turkish intelligence agencies have learned that Iran supports the Armenians and is secretly supplying them with weapons out of concern for an awakening of Azeris in Azerbaijan. By arming the Armenians Iran is preparing the grounds for a war between Armenia and Azerbaijan.

Trade Ties With Turkey Sought

91AS0084E Istanbul MARMARA in Armenian
27 Sep 90 pp 1, 4

[Excerpt] As we reported yesterday, Armenia has opened its doors to Turkish journalists. MILLIYET correspondent Cenk Baglamis reported on this issue from Yerevan yesterday. Today Baglamis files a report from Yerevan under the heading: "Karabakh Will Erupt Soon." In addition, HURRIYET correspondent Nerdun Hacioglu reports from Yerevan with the headline: "A Message From Armenia."

The HURRIYET correspondent says:

"Armenian authorities told the HURRIYET correspondent, who was the first to enter Armenia in 70 years, that they wish to establish relations with Turkey and that the issue of opening a border crossing point between the two countries may be discussed in 1991.

"Yesayi Stepanyan, a spokesman for the Armenian government and the minister of foreign economic relations, said that an economic cooperation must be established without broaching the historical legacy between the two nations. Stepanyan said:

"We cannot achieve anything if we begin unearthing historical events in order to establish a dialog with Turkey. As the minister responsible for economic affairs in the government of Armenia, I would like to state that I favor the revival of ties that have been broken for many years."

"Stepanyan added that the issue of opening a border-crossing point will be discussed in 1991 and that his government wishes to establish official contacts between the two countries. One of Armenia's proposals is to reopen the Kars-Leninakan railway line and to reactivate the Margaryan-Dogukapi train station on that railway line.

"Davit Vardanyan, the head of the organization called 'Armenian Liberation Movement,' said that the time has come to improve relations with Turkey. Vardanyan added that allegations of 'Armenian genocide,' which were included in the Declaration on Independence, do not echo the views of the parliament and the new government.

ARMENIAN AFFAIRS

"Vardanyan also spoke about the activities of the Dashnak Party in Yerevan and said that the Dashnak Party that is operating in Yerevan is not the organization that was formed by the Diaspora Armenians. He added that small groups that are operating in Armenia are trying to win accolades from the people by using the Dashnak Party's name."

Through the HURRIYET correspondent, Vardanyan invited Turkish businessmen to Armenia and said that no Turkish businessman should fear for his security in Armenia.

Meanwhile, MILLIYET correspondent Cenk Baglamis reports from Yerevan that the 29th Congress of the Armenian Communist Party continues and that it is making fundamental changes in everything. He also reports that the Armenian parliament continues its work to form a new government.

Meanwhile, the Karabakh problem continues to attract all attention. The MILLIYET correspondent interviewed three Armenian parliamentary deputies on this issue.

In these interviews, Davit Vardanyan said: "In Karabakh the Soviet army is trying to drive out the Armenians. Naturally, the people resent the Soviet army. The Armenians of Karabakh will soon rebel against the Soviet army."

Deputy Ashot Voskanyan said: "We do not need to give advice to the people of Karabakh because they have the right to self-rule. However we cannot remain indifferent if the pressure put on Karabakh assumes an unconstitutional nature."

Another deputy, Suren Jolian, stated: "The Soviet troops must be deployed along a 5-kilometer-wide belt on the Armenian-Azeri border. We would like parliamentary deputies to inspect that zone, and we want articles appearing in the press against Armenia and Azerbaijan to stop." [passage omitted]

REGIONAL AFFAIRS

King Husayn's Control Over Islamic Factions Questioned

*ta1411182a Tel Aviv HADASHOT
in Hebrew 14 Nov 90 p 2*

[Text] Yesterday, the chief of staff correctly stated that King Husayn's regime must be maintained, otherwise Saddam Husayn's men will take over. However, the cost of King Husayn's weakness is two Israel Defense Forces soldiers killed in one week and Israel cannot ignore this. It cannot be forgotten that all of this has taken place in light of events in the Gulf and any Israeli military action might cause an explosion that would serve Iraq's purposes. Still, something must be done to stop the terror coming from Jordan. In the past, Israel has warned King Husayn about intensive activity on the part of an Islamic Jihad faction led by Shaykh As'ad Bayyud al-Tamimi. The Jordanians panicked a little, and proceeded to restrain his sons, and he ostensibly lowered his profile. As a result, a split developed and one of the activists, Ibrahim Sarbil, left and founded the al-Aqsa battalion which claimed responsibility for the al-Baq'ah murders in Jerusalem. In the meantime, al-Tamimi was in Iran where he received financial and moral support and now he has returned to his revolt. These recent incidents are only the sparks of the fundamentalist fire which threatens to inflame the Hashemite kingdom.

PALESTINIAN AFFAIRS

Removal of Israeli Authority Said to Be Goal

91AE0018B Tel Aviv HADASHOT (Weekend Supplement) in Hebrew 7 Sep 90 p 12

[Article by cabinet minister Uri Elizur]

[Text] If I were David Levi, I would tell James Baker the truth, for a change. This is the time, for many important truths have surfaced recently, and many bluffs have been revealed in the wake of the crisis.

First, the Palestinian bluff. The Palestinians who carried huge pictures of Saddam in the demonstrations perhaps did not know, but in the rear and unseen part of the posters, they also carried the picture of Golda Meir. There is no Palestinian people, she once said, and it is now becoming apparent how right she was. It has become evident that the average Palestinian does not really care if there is one Arab state more, or one less. To the contrary, when there is one less, they break out dancing. Arab spokesmen have explained that the joy is over the unification of two Arab states into one large state. In other words, the very existence of a small Arab state is undesirable. Darousha said that the ideal situation is that there be a total of five or six Arab states. It is obvious that in this ideal situation, the tiny Palestinian state will not be one of the five.

Actually, we have always known this. After all, they explicitly say: "The Palestinian Arab people is an integral part of the Arab nation." Only in Arabic, these two words, people and nation, are not synonymous. The right to self-determination, however, in the name of which many good people fight on behalf of the Palestinians, is a Western, rather than an Arab, concept. It is predicated upon a world in which each person has but one national identity, and only therefore is he entitled to his own political expression. Those who maintain that the Basques have no right to self-determination explain their position by [stating] that the Basques are an integral part of the Spanish nation. On the other hand, Basque fighters will claim ardently that the Basque people are not part of any other nation and, therefore, they are entitled to self-determination. But the Palestinians, in fact, declare in the most fundamental part of the covenant that they are an integral part of the Arab people. In Western concepts, this means that they are demanding for themselves double self-determination, and that Golda is right. There is no such thing. If there are Arabs, there are no Palestinians. We have always known that the expression "Palestinian people" in two words is a Jewish invention, and the Palestinians themselves do not use it. They always make sure, in writing and verbally, to say three words: "The Palestinian Arab people."

And this brings us to the second truth that arose during this crisis: the truth of the Israeli left. At the end of the mini-furor surrounding Yossi Sarid's article, it appears that it was even more minuscule than minuscule. Ran Cohen vigorously defended the Sarid camp this week, and he says that nobody seriously intended that it be searched even after half a day. It is, however, allowed to make itself heard. In other words, the entire argument is whether it is permissible for an Israeli peace seeker to say a few words of criticism to Yasir 'Arafat while the enemy is listening (the enemy is, of course, Yitzhaq Shamir).

There is wall-to-wall agreement there on two things. First, that the Palestinians made a terrible mistake; and second, that upon facing reality, we will return to speak with them, and we will not deviate from a path of peace. There is only a small problem, that these two things contradict one another. Because if we return to speak with them and do not deviate from the path, it is not clear what mistake they made when they joined up with Saddam Husayn. If he wins, the Palestinians profited from their step, and if he is defeated, they have not lost anything. To the contrary, if 'Arafat had taken exception with Saddam Husayn, he would have made a big mistake. He would have paid an expensive Arab price, in exchange for Israeli merchandise that he has for free.

As known, this is not the first internal contradiction in the annals of the sane left, but it is still possible to learn some truth from it: the Palestinians are not interested in peace, and also are not being killed for the sake of self-determination. The main thing that they want is the removal of Israeli rule and its exchange for Arab rule. The Israeli left sees the voices and well understands the issues, and still yearns to continue the dialogue, because

it, too, is not crazy about Palestinian self-determination; it, too, knows that we have had Middle-East style peace for a long time, and that it will not get better than this. But it is also interested in the same thing itself: the termination of the Israeli control of the "territories," and its exchange for Arab rule. This is the main objective, and everything else is advertising. Therefore, in the internal controversy within the left, Yossi Sarid is right.

We return to David Levi and James Baker. If I were David Levi, I would tell Baker: Mr. Secretary, Judaea and Samaria are the legacy of our forefathers. The State of Israel exists only because we are crazy about this matter of holy places and become excited like a romantic virgin upon hearing the names of places from the Bible. You do not really understand this, because your entire history is two hundred years old. But we have been carrying this madness for 3,000 years already, and without it there would not be a Jewish people today. By virtue of this romantic and ancient madness, Shamir came from Poland, and I came from Morocco, and Arens came from America, and Katzav came from Iran, and we are all now ministers in one cabinet. In this cabinet, [we] speak in the language of the Bible, driven out of its grave by a daring and insane revolution, and we turned it once again into a language of daily speech after a 2,500 year intermission. Ninety percent of the places in Israel are found in Hebron, Bethlehem, and Nablus. Throughout history, the entire land ultimately belonged to whomever sat in those mountains. Understand, Mr. Secretary, that it is impossible, after the revolution which we have waged, to dream that we will transfer the whole of central Israel to the Arab empire.

It is true that we have additional arguments that we usually voice. We say that the PLO is a terrorist organization, and that we have defense problems and water questions, and that there is nobody to talk with. But do not mistake all of this, for these are all mere shells. If these were the real problems, believe me, Mr. Baker, we would have solved them a long time ago, even without you. The real issue is that [we are] speaking of a holy land.

I have no doubt that Baker will not like to hear these truths very much. But he will tell his assistants that nothing can be done, that the Government of Israel has finally raised a serious argument that is difficult to break apart, and that the international community will be very impressed with it.

PLO Reportedly Threatened By Arab World Split

*91AE0018A Tel Aviv 'AL HAMISHMAR in Hebrew
6 Sep 90 p 9*

[Article by Pinhas 'Inbari]

[Text] The various mediation initiatives must not distract us from the real interArab processes—the deepening of the schism and the intensification of hostility among the Arabs. The resignation of the secretary of the Arab League, the Tunisian Chadli Kalibi, is likely to turn out to be a first step toward the institutionalization of

the gaps and the establishment of two "Arab leagues," one based on the Cairo-Riyadh-Damascus axis, and the second on Baghdad. It is likely that one center will be in Cairo, and the second, the pro-Iraqi one, will remain in Tunis.

The PLO is not an Arab state, but a liberation organization devoid of territorial glue; therefore, it is reasonable to assume that, unlike a regular Arab state, the process of division in the Arab world will cross the PLO itself and, at the side of the pro-Iraqi PLO, under the leadership of Yasir 'Arafat, a pro-Egyptian PLO will organize. Its possible composition and leadership are greatly unknown. It is difficult to believe that the pro-Egyptian axis will remain without an authorized Palestinian body that will adhere to it. Actually, this is not a new situation, as this was the situation until now in a different variation. In Damascus, at the side of the legitimate PLO, led by 'Arafat and in conflict with Syria, the PLO competed with the proponents of Syria, led by Abu Musa and Ahmad Jibrail.

The PLO is now undergoing a process of inversion. 'Arafat's PLO, which was the ally of the conservative pro-Western forces in the Middle East, such as Jordan, Egypt, and Saudi Arabia, finds itself in the radical camp led by Saddam Husayn, while the supporters of Syria are being asked to move with Hafiz al-Asad to the pro-Egyptian side, against 'Arafat and Saddam Husayn. As things appear right now, this is beyond their power. But this does not mean that the upheaval will not ultimately take place—it depends how the crisis in the Gulf terminates. Na'if Huatma's Democratic Front is now undergoing a difficult process of deliberation. Yasir 'Abd Rabu, who was considered moderate, is demanding to hasten the merge with 'Arafat's Fatah and to move over to the Iraqi side, while the movement's leader, Na'if Huatma, adheres to loyalty to Syria and the Soviet Union, despite his difficulties in terms of the positions of the Soviet Union and the sympathy that he feels toward Saddam Husayn. These are not scholarly arguments of proponents of schools of thought, but real quarrels, including the opening of fire. The success or defeat of Saddam will tip the scale either here or there—and not only for the Palestinians.

In the new situation, the Palestinian leadership of East Jerusalem is not to be envied. The "national figures" recently published a statement in which they condemned "the forceful capture of territories," and explained that while the PLO does object to the American penetration of Saudi Arabia, it was not taking a position on the issue of Kuwait, in order to assist the mediation efforts. And here, after lengthy talks in Tunis, that were apparently characterized by serious arguments over the position of the PLO regarding the conflict in the Gulf, 'Arafat announced for the first time, in the "One Thousand Days to the intifadah" speech, that he supports Iraq. While it is true that he attempted to mediate in order to solve the Gulf crisis within the Arab family, nobody wanted to listen to him. He strongly attacked the Cairo summit and accused it of merely intending to give

approval to the intervention of foreign forces in an internal Arab problem. Now the PLO must find itself in a single pit with those who fought against imperialism and Zionism: "And we direct a question to those who ask about the Palestinian position: Where are the forces of those who captured Jerusalem (holy to the Muslims and the Christians)...we can do nothing except stand in the pit that objects to Zionism and its imperialist allies...." If the Palestinians of East Jerusalem adhere to the old explanations, they will take a different position than that of 'Arafat. If they adopt his stance, the schism which the Israelis left will deepen, and East Jerusalem will lose its role in the political process and in the Palestinian equations.

Apparently, this is not important to 'Arafat. He did not announce the cancellation of the Palestinian peace initiative, but he is walking down a path that is contrary to the path of the intifadah. 'Arafat understands that the end has come for the Baker and Shamir plan, and that the Palestinian issue must be tied into the crisis in the Gulf. He must stand by Saddam Husayn at the international conference that he hopes will commence soon and will tie the two issues, as Saddam proposed two weeks after the invasion. According to the new situation, it is not Feisal Husayni and Reduan Abu A'ish who are supposed to represent the Palestinians, but the PLO itself. 'Arafat's rhetoric in that same speech was not of a Palestinian intifadah, but of Pan-Arab nationalism in a "from the ocean to the gulf" version. The intifadah was a direct Palestinian struggle against Israel, in order to fulfill the ambition of the Palestinians to their own state without the help of the Arabs and without an international conference. Now [they] are already speaking [not] of the Palestinian stone, the fruits of which Feisal Husayni is supposed to reap for the Palestinians, but of the tremendous Arab army, which is capable of contending against the chief power of the world, and he who reaps the fruits is supposed to be 'Arafat himself, in an international conference.

The Soviet initiative breathed life into the international conference, but it is not worthwhile to place many hopes on it at this stage. Positions are becoming more extreme in the Arab world, and the concept of "Arab housekeeping" does not connote a meaning of compromise in the spirit of fraternity, as deserving among members of one family, but a meaning of nullification of the states that were established in the Middle East subsequent to the rule of the colonial powers, and the design of a new Middle East, in accordance with Arab history and ambitions.

Whoever listens to Baghdad Radio has certainly noticed that Saudi Arabia has disappeared and no longer exists as a legitimate state. For the Iraqis, there is Hejaz and Nejd, and this is how they turn to the citizens of Saudi Arabia. From the perspective of the Saudis, as well, Iraq no longer exists as a legitimate state. They do not approach Saddam Husayn with his title as the president of Iraq, but just "Saddam." Saudi Arabia's broadcast

stations emphasize Kurdish separatism and the uniqueness of the Bedouin tribes in Yemen, Iraq's ally. It is also possible to hear voices condemning Saddam Husayn from spokesmen of the Ashurite minority. The intention of the Saudis and the Iraqis is clear. They both intend—if they win—to rip their enemies into tiny pieces, and it is clear that such a result can be achieved only by war. Accordingly, despite the intensive mediation efforts, the war option is still stronger.

The Saudis stand before great difficulty—the crushing of Iraq will remove the main Arab buffer that stood between them and the Iranians. But if Iraq ceased to serve as a buffer and became a danger, there would be no alternative but to crush it, in order to grant legitimacy to the separate existence of Kuwait.

It is easy to be tempted and to say that subsequent to the crisis the Arabs will once again kiss and hug as if nothing had happened. The situation today is such that, while no shot has yet been fired, the intentions are clearly belligerent, and the Arab world is marching not toward compromise but toward the first inter-Arab war of its kind. Regardless of whether the Arab league splits or ceases to exist, it is clear that the Palestinians must take a stance, and it is doubtful whether on the day of judgment they will all stand on the Iraqi side.

Although it is still very early to deal in this, it is possible to begin to assess that the main Palestinian force will, indeed, stand on the Iraqi side during the initial stages. But if the situation stabilizes, important and influential Palestinian forces will continue to [lean to] the Egyptian pole. Attention must be paid to the things that the leader of the Democratic Front, Na'if Huatma, said this week, in which he blamed, without going into detail, the Arabs of the United States for supporting the American "invasion" of Saudi Arabia. It must be recalled that even on the eve of the crisis, differences of opinion emerged between the leaders of the Palestinians in the United States and Yasir 'Arafat. The very prestigious Professor Edward Sa'id severely criticized PLO leadership for not understanding the American sensitivities and not assisting, in an understatement, the Palestinian lobby in Washington. 'Arafat's stance in the current crisis can serve Professor Sa'id as a crushing example of his arguments. Another prestigious academic, Professor Hisham Sharabi, called to wage an "intifadah" within the PLO, with the intention (hinted at, of course) of changing the leadership. The words have never been as relevant as they are today....

It must be assumed that this lobby will not be able to stand at the right of PLO-Iraq, but to the right of PLO-Egypt. Within Fatah, differences are already being sounded between Abu Iyad and 'Arafat, and Abu Iyad's phrasing is more similar to the announcement of the national figures than to 'Arafat's "1,000 Days to the Intifadah" speech. At this time, Abu Iyad is not dealing in the establishment of a competing axis with that of 'Arafat within Fatah, and he is seen accompanying him

along the indefatigable mediation efforts, but the potential for a break between the two exists. It must be noted that Abu Iyad is accompanied by Hani al-Hasan and the ambassador in Cairo, Sa'id Camal.

The Palestinian left is the dowry that Hafiz al-Asad is supposed to bring Cairo to the altar, but the bride does not want to get married. George Habash, the leader of the Popular Front, is the most extreme element against al-Asad. He made a demonstrative visit this week to Saddam Husayn. Habash, it should be said, did not always tow the Syrian line. Two years ago, he granted some assistance to 'Arafat regarding the Palestinian peace initiative, when he violated the orders of Damascus and appeared at the National Council in Algeria. He did oppose 'Arafat and voted against [him], but his very appearance at the conference granted these resolutions the legitimacy of the fighting left. He later differed with him ['Arafat] regarding the concessions to the United States, and on the eve of the blowup of the Baker initiative by Shamir, he was but a step from a Palestinian civil war, between Habash and 'Arafat. But Habash did not take these positions because of one order or another from al-Asad, either. Among the other things that Habash said in Baghdad, he noted that 'Arafat's position in the current crisis aided in restoring the unity of the PLO. Had he supported Egypt, said Habash, we would have removed him. At the same opportunity, Habash departed from the Palestinian peace initiative when he said that there is no validity to all of the United Nations resolutions on the Palestinian issue, i.e. [resolutions] 242, 338, and 181, and that only the resolutions of "Palestinian nationalism" were valid.

As stated, Huatma also supports Iraq, but in less sweeping expressions than Habash. He, too, has not embarked upon a campaign of pledging allegiance to Baghdad, like the more radical front. On this matter, he has difficult internal problems within the Democratic Front, and the possibility must not be ignored that the process of division within the PLO will start with him. In any event, unlike Habash, he has not departed from the peace initiatives and, speaking this week in Damascus, he expressed his hope that an international conference on the Gulf would be expanded to include the Palestinian matter, as well.

The Saudi contribution to the new Arab center in Cairo is likely to be the HAMAS [Islamic Resistance Movement]. It should be noted that, after first stuttering, condemnation of the Iraqi invasion and, subsequently, straightening with Palestinian public opinion, HAMAS returned this week to support Kuwait. While it did not condemn Saddam, it did not praise him, and actually did not mention him at all. HAMAS was financed by Kuwait and Saudi Arabia, and it estimates that in the new formation of forces in the Arab world it is charted for the role of eroding 'Arafat's power. Against it, standing as an Islamic force in the pro-Iraqi camp, the two main factions of the Islamic Jihad—Sheikh Biud Tamimi's faction in Amman and Dr. Fathi Shakaki's faction in Lebanon—can be found. This week the Shakaki faction

issued a manifesto in the territories in which it declared a campaign of terror against the Americans, Israel, Saudi Arabia, and Egypt. The proclamation ignored the HAMAS announcement, but in a disguise of unification of the Islamic movements, in effect called for the supporters of HAMAS to abandon the movement—and to desert to it.

Thus, a long circle was actually completed. The Islamic Jihad has always been sympathetic to Fatah, and more than a few of its activists are originally from Fatah. The PLO's peace initiative, however, distanced the Jihad from Fatah and, in effect, a quiet split took place, without the explosive voices characteristic of splits of this kind. Saddam Husayn restored the Jihad to Fatah.

Although the Palestinian force that is gathering in Saddam Husayn's camp appears more impressive, it is necessary to take Saudi Arabia's economic power into account. This is likely to work miracles because of the anticipated economic crisis in the territories. Because of the conflict with the oil emirates, it must be assumed that economic support for the territories will, in the future, be made contingent upon reservations about 'Arafat. The political process will renew from the Cairo pole, and Cairo is expected to receive Saudi aid of no small [magnitude]. Saudi Arabia is also likely to support a pro-Egyptian political process. The opening of renewed political horizons from the Egyptian direction, and the renewal of economic opportunities for the territories, are likely to present 'Arafat with no small test—if, indeed, it becomes evident that his gamble on Saddam Husayn did not succeed.

ALGERIA

PSD Calls for Shipment of Food to Iraqi Children

91AA0059B Algiers *EL MOUDJAHID* in French
29 Aug 90 p 24

[Unattributed article: "PSD: For a Shipment of Food to Iraqi Children"]

[Text] In the face of the terrible blockade imposed by the West and its lackeys on its brothers, the people of Iraq, so as to starve its children, the Social Democratic Party (PSD) has launched an appeal to the Muslim Algerian people and all the nation's forces—charitable organizations, religious organizations, and political parties—to coordinate an effort whose aim is sending a shipment of food, milk, medicine, and clothing to the besieged children of Iraq.

If interested, please contact the Social Democratic Party (PSD), 8, Rue des Freres Adder (Rue Larbi Ben M'Hidi), Algiers.

Pro-Iraqi Group Denounces Sanctions, Troops in Gulf

91AA0059A Algiers *EL MOUDJAHID* in French
29 Aug 90 p 24

[Unattributed article: "The Algerian Committee for the Support of the Iraqi People: Letters to the Secretaries General of the United Nations and the Arab League"; first two paragraphs are *EL MOUDJAHID* introduction]

[Text] The Algerian Committee for the Support of the Iraqi People (CASPI), "which was formed on 10 August 1990 in response to the general wish of the Algerian people in order to lend aid to our brothers, the Iraqi people," made public two letters addressed to the Secretary General of the United Nations and the Secretary General of the Arab League, respectively.

In these letters, CASPI denounces the presence of foreign troops in the Gulf and the holy land of Islam, the embargo that has turned into a blockade of Iraq dictated by the United States in violation of the Security Council's resolutions, and calls for a search for a solution compatible with the interests of the peoples of the region, one that would "return peace and concord to this part of the world."

"Return Peace and Concord to the Region" "1. If it is correct to think that Iraq violated international law by invading Kuwait, it must be said that the situation that resulted is not an example without parallel, inasmuch as a number of conflict situations in the world have arisen from violations of international law that were every bit as clear and even more serious.

2. In this regard, the Arab peoples do not understand and do not accept this different reaction of the international community towards Iraq, since we know the passivity it has demonstrated in the face of similar acts. We would remind you of Israel's occupation and annexation of Arab territories, of the bombing of Libya by the United States, of the assassination of a PLO official in the territory of a sovereign state, of the invasion of southern Lebanon and Beirut, and of the invasions of the island of Grenada and Panama.

3. That is to say that the search for a solution to the conflict between Iraq and Kuwait does not justify the response adopted by the West.

- There has been an unprecedented deployment of a deadly military arsenal.
- The embargo has turned into a blockade, in violation of the Security Council's resolutions.

Everything has been done to starve and annihilate 17 million inhabitants who have been taken hostage by a policy dictated by partisan interests.

4. The Arab peoples are perfectly aware that the future of Kuwait is not what is at stake but rather taking possession of the oil wealth of the peoples of the region as part of a thinly disguised neocolonial policy.

5. In fact, the Arab and Muslim peoples regard this unprecedented mobilization as a Judeo-Christian crusade and are determined to defend themselves despite the positions taken by some of their leaders.

We hope that the United Nations, by being true to its purpose and mission, will intervene to restore peace and concord to this part of the world.

That is why the Committee for the Support of the Iraqi People asks you to take every measure that would make possible the following:

- a) A search by the Arab states for a solution compatible with the interests of the peoples of the region;
- b) The immediate and unconditional withdrawal of all of the foreign troops present in the region and a pullout from the holy land of Islam;
- c) The lifting of the blockade declared by the United States;
- d) A lifting of the embargo on food and medicine;
- e) Maintaining the economic interests of the peoples of the region."

A Solution Compatible With the Wishes of the Peoples Concerned

1. If there is no doubt Iraq violated international law by invading Kuwait and that it has been condemned for so doing, it must be said that the situation that resulted is not an example without parallel, inasmuch as a number of conflict situations in the world have arisen from violations of international law that were every bit as clear and even more serious.

2. In this regard, the Arab peoples do not understand and do not accept this different reaction of the international community towards Iraq, since we know the passivity it has demonstrated in the face of similar acts. We would remind you of Israel's invasion of Arab territories, the bombing of Libya by the United States, and the assassination of an official of the PLO on the territory of a sovereign state.

3. That is to say that the search for a solution to the conflict between Iraq and Kuwait does not justify the response adopted by the West:

- There has been an unprecedented military mobilization;
- The embargo has been turned into a blockade, in violation of the Security Council's resolutions.

Everything has been done to starve and annihilate 17 million inhabitants who have been taken hostage by a policy dictated by partisan interests.

4. We are perfectly aware that the future of Kuwait is not what is at stake but rather taking possession of the oil wealth of the peoples of the region as part of a thinly disguised neocolonial policy.

5. In fact, the Arab and Muslim peoples regard this unprecedented mobilization as a Judeo-Christian crusade and are determined to defend themselves despite the positions taken by some of their leaders.

Thus, in the face of history, these leaders will bear the responsibility for this new occupation of Arab lands by the West, for the subjection of their people, for their impoverishment, and perhaps the responsibility for a genocide, which could be carried out in the near or distant future.

The Algerian Committee for the Support of the Iraqi People vigorously denounces the collusion of certain Arab leaders with the enemies of the Arab and Muslim peoples as well as all decisions made against the will of these peoples.

We appeal to the conscience of every Arab leader so a solution can be found, which will be compatible with the wishes and the interests of all the peoples concerned.

ISRAEL

No Advantage Seen in Holding Gaza

*9IAE0040B Tel Aviv 'AL HAMISHMAR in Hebrew
25 Sep 90 p 7*

[Text] The Gaza Strip is not part of the State of Israel, and we might hope that it does not become part of it. Contrary to the stance of Yitzhaq Shamir, there is no point in annexing Gaza to Israel or perpetuating Israeli rule there.

In Gaza, about 800,000 Palestinians reside in a narrow territory. These are people who do not want Israeli rule and upon whom Israeli rule cannot be forced. The attempt to perpetuate Israeli rule in Gaza requires endless sacrifices. Israeli rule over Gaza increases hatred and forces the IDF [Israel Defense Forces] to adopt colonial methods of rule such as the destruction of homes and the expulsion of residents.

The Prime Minister does not want or is not able to draw proper conclusions from the tragic occurrence in Gaza in which a fired up crowd lynched an IDF soldier. A frightening incident, but the only possible political conclusion is disengagement. The State of Israel needs Gaza like a hole in the head. It is not Kuwait; it has no oil treasures. Gaza could not constitute a real security threat to Israel if the evacuation of the Strip were to be accompanied by appropriate agreements.

There were many political opportunities to disengage from Gaza. President Sadat suggested in his day transferring responsibility for the Strip to Egypt. In discussions on peace agreements, suggestions were raised of "Gaza first." Those suggestions were not taken up and Israel was left with the problem. Israel cannot assure normal life in the Strip nor a decent livelihood for its citizens. Israel cannot connect with the leadership and only gathers hatred and violence.

The political lesson has yet to be learned. After every bloody incident, radicals in the party of the right make their proposals for increasing repression and punishment, for imposing the collective punishment of expulsion and for creating a scorched earth policy. But violence cannot be overcome with violence alone. It is especially difficult to maintain the level of violence within the framework of international law and internal ethical demands. Therefore criminal acts and the reactions to them make it difficult to preserve the ethical level of our soldiers, resulting in deviant phenomena and a continuous escalation.

Despite the fact that the events in Kuwait and the Gulf are deflecting opinion from the Palestinian problem and that the government has won breathing space from political pressures, we must still strive for a quick solution to the problem because the solution is first and foremost in the Israeli interest. There are few countries these days that would volunteer to take upon themselves so thankless a task as the imposition of rule on another people. It makes no political sense, there are no budgets worth setting aside for that objective and it is of no use. Therefore Yitzhaq Shamir has to overcome his unrealistic ideological stands and conduct policy in accordance with Israeli interests and not on the basis of the conception of a small party.

Spread of Intifadah to Israeli Arabs Disputed

*9IAE0056B Tel Aviv HA'ARETZ in Hebrew
19 Oct 90 p 3*

[Article by 'Arnon ben Nahum]

[Text] There are no signs that the Intifadah has influenced violence and crime in Israel within the borders of the Green Line, according to Professor Moshe Semyonov on a study day on the issue of the Intifadah and Israeli society conducted at Tel Aviv University. There certainly was an increase in incidences of robbery and murder, but that began before the intifadah. To the extent that the intifadah has had an effect, during the period of its occurrence, on violence, that effect has been indirect in that it has caused an increase in unemployment.

Dr. Tamar Liebes reported the results of research she conducted with Professor Blum Qolqe in which a survey was conducted among high school graduate soldiers, of dovish political positions, who were continuously employed in the territories. The survey was conducted on two dates: at the end of 1988 and the beginning of 1989 and a second time a year and a half later. While on the first occasion there was dissonance between their obligation to the IDF [Israel Defense Forces] and their opposition to suppression by force, the second time they had fewer complaints about their hardship and they spoke more in military jargon. Those who spoke the first time with deep emotion, spoke in technical terms the second time around.

Professor Na'omi Hazan said that the protest activity of women's organizations exemplifies the difficulties of protest movements since the outbreak of the intifadah. Despite the success of women's groups as compared to mixed groups of men and women, their activity has not broken the barrier of political effectiveness. In her view, that failure reflects the lack of consensus and the lack of consultation between the elites in Israel. In order to bring about reform in government policy, the elite within the governmental establishment must adopt the positions of the extra-parliamentary system, and that has not happened, neither in the period of the National Unity government nor in the period of the Likud government.

The protest movements are getting stronger, she said, in their success in forming a coalition. The women have set up various coalitions, but not mixed coalitions.

Israeli-Ethiopian Relations Examined

9IAE0039A Tel Aviv MA'ARIV in Hebrew 3 Oct 90 p5B

[Interview with Kasa Kavada, adviser and friend of Ethiopian ruler Lieutenant Colonel Haile-Mariam Mengistu, by Rahamim El'azar, as told to Aryeh Bender; date, place not given]

[Text] One of the most interesting meetings that I had during my visit to Ethiopia was with Kasa Kavada, close adviser and personal friend of ruler Mengistu, and the person whom the ruling party has appointed to be in charge of foreign affairs. I had met Kasa, who speaks fluent Hebrew, which he learned in the past at the Hebrew University of Jerusalem. He was one of the regular inhabitants of the Ta'amom coffee house in the city, during his visits to Israel, following the renewal of relations with Ethiopia. During one of them, he invited me to be his personal guest.

Kasa is a brilliant fellow, a pleasant conversationalist and pleasant mannered, friendly kind of guy, cultured and educated, with a sense of humor; nonetheless, he is a sharp diplomat. We spoke in Amharic and also in Hebrew; he occasionally threw in slang words.

Kasa's office is located in a modern and luxurious building. His office is upholstered with carpets and on the wall hangs Mengistu's picture. After five hours of conversation in the office, we moved to his private residence, a beautiful villa in one of the city's wealthy neighborhoods. He presented me to his wife, a warm and friendly woman, as a guest from Israel. She herself recently visited Israel for three weeks.

Kasa told me that their daughter is studying Hebrew at the 'Akiva seminar in Netanya, and asked that I send her regards. I took notes on the conversation. Kasa knows that I am a journalist and said that he had no objection to these notes being published. To the contrary, he is interested in bringing the message of Ethiopia to the public in Israel.

During the conversation, I told him that after 20 years in Israel, I have a Western orientation. In the West, the public likes to know everything about its leaders, and I find it difficult to understand why Ethiopians do not know how to sell Mengistu to the West. Initially, Kasa hesitated to speak of Mengistu. Afterwards, he reconciled.

"Mengistu was born to a poor family", he said. "His parents divorced during his childhood. His father was a soldier and, as a boy, Mengistu wandered with him from base to base. Thus, he became familiar with the military life. When he grew up, he followed naturally in his father's footsteps and was mobilized into the army. He was an outstanding soldier, with superior leadership capability and rhetoric talent."

On Mengistu's path to rule, he related that during the twilight period of Emperor Haile Selassie, there was a sense of disintegration in the state. The people were starving and the intelligentsia was prevented from participating in the government. The revolution against the emperor was actually started by the students. The military faction that acted against the regime first sought to appoint the crown prince, who was then in England, as head of state without powers, in order to prevent a vacuum in the governmental system. When he refused, the revolutionaries sought to place the emperor's grandson at the head of the state, but he, too, refused. The army had no alternative but to fill the vacuum that was created on its own.

The revolution opened a new leaf in the annals of Ethiopia. The demise of the old government created chaos in the country. Nobody knew what to do or whom to follow. Accordingly, the army was called upon to run the country. And since Mengistu stood out as a nationalist, balanced, popular, brilliant patriot, who knew how to play on the feelings of the people, he became the head of state.

Later, Kasa presented his version with regard to the Marxist identity of the Ethiopian revolution. "Ethiopia's situation was terrible," he said. "There was a governmental vacuum within the state that took time to fill. The Americans refused to extend aid to us. The Somalis invaded 600 km into Ethiopian territory, in the region of the Ogaden desert. The Eritrean rebels pushed hard from the north. They were joined by the Tigre rebels. The state was disintegrating before our eyes. With no alternative, we asked the Russians for assistance.

"They made it contingent upon the acceptance of the slogans and the red flags. The Marxist ideology was part of the price that we paid for Russian aid. We disguised ourselves as Marxists. The Ethiopian people will never be Marxist-socialists. This will not work. But there was no alternative. We stood naked and exposed. Everyone had left us, and then the Russians and the Cubans entered.

"Today, the government is stabilizing. The direction is democratic and a parliament of 850 representatives has

been established. President Mengistu is a civilian now and so are the cabinet ministers."

[El'azar] What are the results of the renewal of relations between Ethiopia and Israel?

[Kavada] Prior to the renewal of diplomatic relations, there were many talks and we reached agreements. Israel promised to assist us in many fields, also [including] technological aid. We put our hopes in Israel. We have common interests and common enemies and we will need to stand alongside one another.

We have the largest diplomatic staff in Israel. Israel is not wealthy, but it can influence its friends in the West to come to the aid of Ethiopia. It is Israel that is not upholding the agreements that were reached. If Israel upholds the agreements, Ethiopia will also fulfill them.

[El'azar] Have you also requested cluster bombs from Israel?

[Kavada] We did not request [them] and we will not request [them]. We have no need for cluster bombs in order to fight our civilians. We requested diplomatic aid from Israel, mainly in the United States, and cooperation.

[El'azar] Why aren't you enabling the remainder of the Ethiopian Jews to emigrate to Israel?

[Kavada] From our perspective, there is no problem. President Mengistu promised the unification of families, and he will fulfill his promise. Mengistu sympathizes with and admires Israel. His attitude toward Israel is influenced by two things. In 1977, Prime Minister Menahem Begin sent him a heartfelt letter that included a humane appeal to facilitate the emigration of the Jews of Ethiopia. Begin wrote that after an exile of 2000 years the State of Israel had been established in order to be a Jewish home for the Jewish people throughout the world. This letter greatly moved Mengistu.

The second thing that left its impression on Mengistu's attitude toward Israel was the memory of his experience as a sergeant in the Ethiopian army during the Six Day War. Mengistu had three military instructors from Israel: one of Yemenite descent, one of Russian descent, and one of Iraqi descent. When the Six Day War broke out, they immediately left the base and flew to Israel in order to fight for its defense. Since that time, Mengistu admires Israel.

[El'azar] Nonetheless, why is the exodus of the Jews stuck in Addis-Ababa being delayed?

[Kavada] Indeed, it is true that there are now thousands of Jews concentrated in Addis-Ababa. We know that the conditions they are in are extremely difficult, and not by our own fault. Whoever brought them from the villages should have attended to this ahead of time. We have no interest in seeing them suffer, however we want the

process to be organized and documented. The two governments must coordinate all of the details in order to facilitate the exodus of Jews in an organized manner.

When I was in Israel, I agreed with the Jewish Agency regarding the way in which to complete the forms. I insist upon their completion as agreed upon. If the government changes tomorrow, I will be charged with selling the Jews of Ethiopia to foreign elements. There must be documentation here showing that everything was done in accordance with the law. The problem is with you. I am not willing to be a clerk of the Jewish Agency or of the Ministry of Absorption. One of your people here told me that paperwork involves a great deal of labor. Let his fingers hurt. I cannot give an order stating they let the Jews exit just like that.

[El'azar] It is said that the Mengistu government will not hold out and, therefore, only few are willing to invest in Ethiopia.

[Kavada] Mengistu has been holding out despite all of the forecasts, and he will keep on. He is a real patriot whose concern is for his country and not for his personal fate, as they are trying to portray in the foreign press.

[El'azar] Why don't you solve the problem with the rebels by peaceful means?

[Kavada] We proposed peace talks to the rebels, but they deceived us. We have no interest in fighting them. We want peace to be established among the people of Ethiopia. We proposed extensive autonomy in many places; however, the rebels of Eritrea still refuse, because of the aid that they receive from the Arab states.

[El'azar] Why hasn't Mengistu visited any Western state since his ascent to power?

[Kavada] This is true. If he is invited he will go.

[El'azar] Will he also visit Israel?

[Kavada] If he receives an official invitation, he will go to Israel on an official visit.

[El'azar] Did you know about Operation Moses?

[Kavada] We knew about all of the preparations toward the operation. At the time, I was Ethiopia's ambassador in Geneva. I summoned the Israeli representative and told him that our security services knew about the operation. We said that we would not impede it, on condition that it not be made public. Afterwards, however, it was made public, in spite of our warnings, and we found ourselves being attacked by the Arab states, who charged us with collaborating with you. Neither Israel nor any Jewish organization in the world saw fit to deny the charges against us, and they did not come to our aid.

[El'azar] Why, in the past, did you demand the return to Ethiopia of Jews who had emigrated in Operation Moses?

[Kavada] This started in a ruling of Jewish law by Rabbi 'Ovadia Yosef with regard to the Jews of Ethiopia and the establishment of various organizations that acted on their behalf. We saw this as something that had not existed during the thousands of years of the existence of the Jews in Ethiopia. We saw this as interference in our revolution. We had only begun the first steps of the new regime, and suddenly rabbis were coming and deciding who among the citizens of Ethiopia was a Jew. Suddenly, Israel was pressuring us. We saw this as interference in our internal affairs.

[El'azar] Why aren't you enabling the Falashmura, the Jewish converts, to emigrate to Israel?

[Kavada] We have not refused. You, the Israelis, refused. It is likely that they converted to Christianity because of missionary influence or due to objective reasons, but we view your refusal as discrimination. All in all, we are speaking of approximately 2,000 people. Ethiopia, with its 50 million residents, can get along with 2,000 fewer people.

[El'azar] What are your expectations from the Ethiopian immigrants in Israel?

[Kavada] We expect a lot from you. [We expect] you not to forget your homeland, to explain our situation to the people in Israel and to your government, and to pressure it to assist us in the areas that are vital to our existence. We are interested that you advance, succeed, and serve as a source of pride to your homeland.

(As told to Arye Bender.)

New Economic Plan Said Unpromising

91AE0040B Tel Aviv 'AL HAMISHMAR in Hebrew
25 Sep 90 p 11

[Article by Me'ir Het]

[Text] The economic plan authorized by the government at the end of last week seeks to create more than half a million new places of employment in the economy over the next five years. Achieving that goal will require large-scale investments which, together with the growth in the number of employed, will facilitate annual average growth at a high rate of more than eight percent.

The program pretends to bring about this enormous change by developing the economy (doubling the rate of growth, and even more than that), by making the market systems more flexible; i.e., by reducing the cost of labor and removing the stiffness in the labor market, by increasing capital resources for the business sector, and by exposing local manufacturing to competing imports. All of that without increasing the tax burden—new taxes that would be imposed and exemptions that would be cancelled to cover the deficit that would be created by cancelling or reducing other taxes.

Various parts of the program have run into criticism from those sectors that would likely be affected. The

agriculture and tourism branches oppose the imposition of a VAT [value added tax] on their sales; savers who have their money in interest-bearing accounts or pension funds protest the less favorable terms for savings, and the Histadrut threatens to strike over the intention to change the minimum wage law, to tighten unemployment compensation rules, and other steps likely to hurt employees.

I don't deny the possibility that the criticism that has been levelled is partially justified, but overall the severity of what has come to be called "decrees" in the economic program is surprisingly moderate. Were there any prospect that the proposed measures would allow the Israeli economy to absorb a million immigrants over the next five years, we would have to be thankful that the price demanded for such an enormous accomplishment was so low.

The big question mark with regard to the economic plan is whether those modest measures, touted as "making the market system more flexible," can really facilitate a massive increase in investments, the creation of hundreds of thousands of places of employment, and the acceleration of growth and exports. A firm basis for the optimistic forecast about growth and immigration absorption would require the presentation of a macroeconomic analysis that would point to the necessary changes in the principal variables and would present the systems that would bring about the implementation of those changes.

The basis for an economic program with such far-reaching goals would have to be the experience for answering the question as to what caused the Israeli economy to stagnate for almost two decades: why were the attempts to renew growth, set to be stage B of the economic program from July 1985, unsuccessful? A clarification of that issue would allow us to ascertain whether the steps that include the program of September 1990 have what it takes to advance the desired change.

In my opinion the main reasons for the lack of growth—and they are interconnected—are mainly these:

- A. Large growth in the proportion of public consumption, the burden of expenses for which fell on the manufacturing sectors (hence the high tax burden);
- B. The worsening balance of payments situation which did not allow resources to continue to be directed on a large scale and under favorable conditions for investment objectives, as was done in the 1950's and 1960's;
- C. The indexing system, which neutralized the effect of policy steps in the areas of taxing and changing the exchange rate;
- D. Low productivity because of a lack of sufficient incentives for efficient exploitation of manpower and capital.

On the basis of this evaluation of the causes for the slowdown in growth, I would expect that an economic

policy intended to bring about change would include components that would deal with the reasons for the slowdown. In the new economic program there is but a very partial answer to the aforementioned problems. Glaring by their omission are steps for reducing the burden of public consumption and making the public services sector more efficient. Such steps cannot be accomplished immediately; they require patient action that will take a long time, but without the outline of a program to accomplish that objective, there is no prospect of it being realized. Ways must be found to reduce expenditures on defense, education, health and welfare, not by cutting the level of services or by making them more efficient. A reduction in the number of government ministries and a squeeze on the Zionist Histadrut and Workers' Histadrut bureaucracies are also a vital part of an overall program for reducing the yoke of the public sector on the economy.

The economic program is also not persuasive in the steps that it proposes for encouraging exports so that the growth of the economy would be led by exports and not carry with it a new crisis in Israel's balance of payments. The problem of encouraging exports is connected with that of the system of indexing and of low productivity. As for a change in the exchange rate—devaluation is the accepted way of encouraging exports, but the indexing agreements, especially the automatic cost of living increase, bring about a neutralization of the effect of devaluation on relative prices. Without the cost of living increase, there is no point in implementing a change in the exchange rate, or its benefit would be very limited. Improving the economy's ability to compete, without devaluation, requires dealing with the problem of manufacturing productivity.

There are several ways to increase overall productivity:

- Capital investments
- Technological improvements
- Incentives for workers and managers for increased effort and better management.

The precondition for capital investment is a fair profit margin. Investment profitability in the manufacturing sector of the Israeli economy was based for many years on massive benefits by way of grants and loans on favorable terms. Those benefits were reduced, and rightly so, in the mid 1970s. Manufacturing activity by itself was not profitable enough to allow it to compete for investments with indexed financial tools supplied without limit by the government.

There is real encouragement in technological improvements, but the declining support of the higher educational institutions has brought about a weakening of industry's research infrastructure. The process of decline

in basic scientific research, on which technological advancement is based, is still at its peak.

The system of incentives for workers and managers in the Israeli economy is far from satisfactory. A guaranteed salary unconnected with productivity and almost complete protection from firing are the opposite of an incentive for efficiency and effort. Bonuses for managers also don't meet the criteria of assuring connection between accomplishment and reward.

Changes in all those areas, which are a precondition for a turnaround in the productivity area, require not only changes in priorities for resource allocation, but also new thinking by the professional unions and the employer organizations on fair ways of strengthening systems of work relationships and approaches for encouraging manufacturing productivity. There is no mention of these things in the new economic plan.

Without confronting these basic problems, it is doubtful whether those changes will occur in the Israeli economy that are a precondition for foreign investors wanting to send us their capital, knowledge, and marketing ability, which represent a precondition for expanding manufacturing capability and increasing exports. Even the capital investment that the State will be able to come up with can only be justified if deep structural changes occur, much more than "making the market systems more flexible," which is what this economic plan deals with. The government must persuade the Israeli public as well as the economic institutions and social organizations within which Israeli society operates, that there is a need to change the ways we think and behave, changes that will require a readiness for much larger concessions than those the economic plan talks about.

Largest Companies on Stock Exchange Listed

*91AE0021A Tel Aviv MA'ARIV (Business Supplement)
in Hebrew 9 Oct 90 pp 14-15*

[Text] The following table contains detailed information on the 50 largest companies registered to trade on the stock exchange. The companies' rankings and values are determined according to the price of their shares on the stock exchange on 26 September 1990. Companies marked (—) in the ranking column for 1989 were not included in that year among the 50 largest companies on the stock exchange. The column heading designated "monthly compensation (in shekels)" refers to monthly compensation in terms of cost to the relevant corporation in 1989 and 1990, as reported in each corporation's most recent report to the stock exchange. Compensation includes wages, bonuses, social benefits, vehicle, and managers insurance. The data refer to managers who receive the highest salary in each corporation.

NEAR EAST

The 50 Largest Companies on the Stock Exchange

Ranking in 1990	Ranking in 1989	Company's Name	Main Share-holders (% of Capital)	Senior Position-holders	Monthly Compensation (in shekels)	Balance/Revenues (in millions of dollars)	Market Value of Equity (in millions of dollars)	Earnings: Jan-Jun/1990 (in millions of dollars)
1	1	Bank Hapo'alim	Hevrat Ha'ovdim (0.1%)	'Amiran Sivan, Chairman of the Board	15,780	33,346.2	2,731	34.7
			The Government (86%)	Moshe Olniq, Acting Chairman of the Board	15,250	375.7	1,132.5	
2	2	Bank Le'umi	O.H.H. (2%)	David Noviq, Chief, International Division	44,170	29,137	2,495.6	40.3
			The government (74%)	Zalman Segel, General Manager, Le'umi New York	44,164	418.7	1,307.3	
3	3	IDB	The Recanati Family (8%)	Refa'el Recanati, Chairman	51,150	16,480.7	1,130.4	18.3
			The Government (74%)	Ely Kohen, Joint General Manager	40,559	214.1	797.9	
4	4	Bank Discount	IDB (66%)	Gid'on Lahav, General Manager	34,113	15,735.7	966.9	14.7
			The Government (26%)	Refa'el Ben-Barukh, Senior Deputy General Manager	31,585	213	687.9	
5	5	Bank Mizrahi	Agudat Hamizrahi (0.03%)	Mikha'el Tzvineri, outgoing Senior Deputy General Manager	22,424	7,231.1	709	6.8
			The Government	Re'uven Eldar, Deputy	21,698	98.2	246.7	
6	6	Dead Sea	Israel Chemicals (90.5%)	Arye Shahar, outgoing General Manager	24,896	539.8	575.3	25.7
			[missing entry?]			283	405	
7	7	IDB Development	IDB Holding Company (78%)	Refa'el Recanati, Chairman	Paid in IDB	1,205.4	368.8	15.8
			[missing entry?]			110.9	425.5	
8	8	Teva'	Founders' family (22%)	Ely Horovitz, General Manager	44,333 (1)	277.7	263.6	8.7
			Maxwell (18.5%)	No.2	31,700	140.7	117	

The 50 Largest Companies on the Stock Exchange (Continued)

Ranking in 1990	Ranking in 1989	Company's Name	Main Shareholders (% of Capital)	Senior Position-holders	Monthly Compensation (in shekels)	Balance/Revenues (in millions of dollars)	Market Value of Equity (in millions of dollars)	Earnings: Jan-Jun/1990 (in millions of dollars)
9	12	Klal Yisra'el	Hapo'alim (40%)	Aharon Divrat	42,986	1615.5	248.6	5.8
			IDB (29%)			404.8	678	
10	13	Discount Investments	IDB Development (60%)	Dov Tadmor, General Manager	59,759	663.8	245	13
				Mikha'el Engel, Manager	34,582	14.6	210.1	
11	15	Klal [Clal] Industries	Klal Yisra'el (72%)	Moshe Stein-gart, General Manager	36,487	995.5	225.3	8.2
				Directors	Together	277.8	307.6	
12	14	Elbit	Elron (57%)	'Emanu'el Gil, President	33,400	359.1	212.8	5.3
				No.2, Deputy General Manager	24,785	87.9	127.9	
13	27	Hamerkazit [Central] Company	Klal Yisra'el 94%)	Moshe Stein-gart, General Manager	Paid in Klal Group	684.1	212.7	4
			[missing entry?]			184	177.8	
14	10	Bank Igud	Bank Leumi (42%)	Avraham Hafetz, General Manager	27,794	1,792.2	207	4.6
				Simha Soroqar	25,283	32.5	107.5	
15	11	Bank Beyn-le'umi [International]	PB (51.6%)	Shalom Zinger, General Manager	37,196	3,746.4	201.3	10.7
			Discount (28%)	Moshe Qoren, Deputy	37,242	85.7	285.2	
16	21	Bank Tefahot	Bank Hamizrahi (84%)	David Blumberg, General Manager	23,553	2,570	193.2	7.8
				Eli'ezer Wolf, Deputy	9,147	11.4	114.2	
17	17	Mivne Ta'asiya	The Government (75%)	Arye Qling, Chairman	10,483	378.8	191.5	6.5
				'Oded Shamir, General Manager	9,147	16	250.3	
18	18	Supersol	IDB and Deleq (38%)	Ya'akov Brin, Chairman	84,166	220.1	182.8	6.5
				David Weinsal, President	Together	204.8	144.3	

The 50 Largest Companies on the Stock Exchange (Continued)

Ranking in 1990	Ranking in 1989	Company's Name	Main Share-holders (% of Capital)	Senior Position-holders	Monthly Compensation (in shekels)	Balance/Revenues (in millions of dollars)	Market Value of Equity (in millions of dollars)	Earnings: Jan-Jun/1990 (in millions of dollars)
19	10	Hahevrah Leyisrae'l [The Israel Company]	Sha'ul Eisenberg (51%)	Tzvi Tzur, Chairman Aharon Zeller, General Manager and directors	128,191 Jointly	360.4 126.7	179.5 192.6	15.6
20	19	Africa Israel	Bank Le'umi (59%)	Shlomo Grofman, General Manager No.2	27,449 21,036	209.1 10.9	170 125.3	3.9
21	20	Industrial Development Bank	State of Israel (41%)	Yosef Sarig, outgoing General Manager Mordekhai Rotenberg, Deputy	23,872 20,078	1,211 10.2	169.4 54.8	2.6
22	24	Klal Electronics	Klal Industries (72%)	'Aqiba' Me'ir, General Manager No.2	27,710 28,445	76.2 15.2	161.2 105.5	8.3
23	25	Nekhasim Uvinyan [Property and Construction]	The IDB Group (75%)	Avraham Atiyas, General Manager No.2	34,652 95,372	187.1 452.2	141.6 136.2	4.4
24	16	Deleq	Discount Investments (36%)	Avraham Agamon, Chairman of the Board Bank Hapo'alim (20%)	95,372 Amnon Sade, Joint General Manager	452.2 241.1	136.2 147.8	4.9
25	36	'Elit	Man Group (27%)	Natan Nisani, General Manager Federman (9%)	38,947 32,056	124.9 98.8	109.9 67.3	6.1
26	34	Eiron	Discount Investments (20%)	'Uziya Galil, Chairman PIC (11%)	36,250 Zohar Ofir, Deputy General Manager	401.8 173.7	106.4 92.4	3.3
27	37	General Company of Jerusalem	TLC (90%)	David Moskovitz, General Manager	9,855	90	106.2	2.5

The 50 Largest Companies on the Stock Exchange (Continued)

Ranking in 1990	Ranking in 1989	Company's Name	Main Share-holders (% of Capital)	Senior Position-holders	Monthly Compensation (in shekels)	Balance/Revenues (in millions of dollars)	Market Value of Equity (in millions of dollars)	Earnings: Jan-Jun/1990 (in millions of dollars)
				Ohed Shapira, Deputy General Manager	9,873	5.6	73.4	
28	35	Gav-Yam	Nekhasim Uvinyan (67%)	Peretz Litman, General Manager	27,036	69.7	104	3.8
			Aridan (10%)	No.2	26,633	7.7	66.9	
29	29	Mif'ale Niyar [Paper Factories]	Klal Industries (27%)	Shmu'el Rotem, outgoing General Manager (2)	42,481	224.8	102	4.4
			Discount Investments (16%)	No.2	32,093	123.9	106.1	
30	23	PB [?]	Plimon B.V.(33%)	Shlomo Tosya Hakohen, Chairman	303,000	3,750.3	96.6	5.7
				Elhanan Shanun, Deputy Chairman	To the Directors	85.7	150.3	
31	30	Dan Hotels	Federman Family (76%)	Mikha'el Federman, Chairman	23,675	127.7	88.7	(1.3)
				'Emanu'el Federman, Deputy Chairman	18,905	32.7	83.8	
32	32	Hakhsharat Hayishuv	Nimrodi Group (42%)	'Ofer Nimrodi, General Manager	38,849	120.1	77.2	2.9
				Eliyahu Sharvit, outgoing General Manager	34,348	19	70.4	
33	—	Ezorim	Klal (58%)	Avigdor Qalner, General Manager	33,000	134	73.1	2.4
				and Directors	Jointly	37.9	52.3	
34	42	Bank Mishkan	Bank Hapo'alim (69%)	Amnon Qroyzer, General Manager	15,965	2,269.2	71.8	2.9
				Me'ir Me'iri, Deputy General Manager	15,663	14	32.7	
35	—	Habeynle'umi for Mortgages	Bank Beyn-le'umi (93%)	Peretz Hamu, General Manager	19,452	585.9	68.4	1.9
				Yitzhaq Qorbrinsqi	15,817	5.8	43.7	

The 50 Largest Companies on the Stock Exchange (Continued)

Ranking in 1990	Ranking in 1989	Company's Name	Main Share-holders (% of Capital)	Senior Position-holders	Monthly Compensation (in shekels)	Balance/Revenues (in millions of dollars)	Market Value of Equity (in millions of dollars)	Earnings: Jan-Jun/1990 (in millions of dollars)
36	41	Hafniqs	Hakhmi Family (53%)	Yosy Hakhmi, General Manager	42,890	826.7	64.3	4.8
			Shlomo Eliyahu (25%)	David Hakhmi, Chairman	34,091	159.3	41.7	
37	33	Klal Insurance Holdings	Klal Yisra'el (71%)	Yedidya Greenberg, General Manager	22,532	797.5	63	5.9
			Yig'al Arnon (10%)	No.2	9,881	246.8	54.8	
38	46	IP	Ezorim (75%)	Mandel Goldberg, General Manager	33,315	72	61.3	1.8
				Yosef Nineve, Deputy	For both of them	28.2	40.8	
39	—	Le'umi Mortgages	Bank Le'umi (73%)	B. Avital, General Manager	20,435	1,259.4	59.5	0.97
				M. Ginzberg, Secretary	22,067	5.5	26.3	
40	28	Petrochemicals Factories	Ostrovski Group (24%)	Yehuda Gil, Deputy Chairman	25,335	113.1	55.2	3.25
			The Israel Company (13%)	Avraham Paposhdo, General Manager	21,570	49.1	84.2	
41	—	Elco	Sonoma (39%)	Gershon Zelqiner, General Manager	41,546	71.2	54.6	3.1
			Gershon Zelqiner (18%)	No.2	33,869	50	14.8	
			Potshel (14%)					
42	22	Bank Klali	YISROF (62%)	Avraham Beiger, General Manager	44,000	374.5	53.6	0.7
			The Government (17%)	Aharon Tziran, Comptroller	21,928	4.2	33	
43	47	Development and Mortgages	Discount (74%)	Beno Giter Chairman, General Manager	23,402	1,032.2	51.7	2.1
				Y. Shemesh, Joint General Manager	35,168	8.7	35.8	
44	26	Agan	Makhteshim (Koor) (54%)	Mikha'el Piqersqi, General Manager	15,477	82.3	51.7	2.6

The 50 Largest Companies on the Stock Exchange (Continued)

Ranking in 1990	Ranking in 1989	Company's Name	Main Share-holders (% of Capital)	Senior Position-holders	Monthly Compensation (in shekels)	Balance/Revenues (in millions of dollars)	Market Value of Equity (in millions of dollars)	Earnings: Jan-Jun/1990 (in millions of dollars)
				Yisra'el Tamir	15,427	54	53.2	
45	50	Menora	Hirschfeld Family (74%)	David Hirschfeld, Chairman	42,667	506.9	51.1	4.6
				Shabta'i Engel, General Manager	33,750	92.2	18.7	
46	—	Mehadrin	Discount (31%)	Yosef 'Uzi'eli, General Manager	20,670	70	49.9	4.7
				No.2	18,534	12.7	38.2	
47	—	Maman	State of Israel (39%)	Shlomo Shores Larar, General Manager	14,333	40.5	46.9	1.9
			El Al (44%)			17.2	24.7	
48	—	Hamishmar Har'el	Hamburger Family (61%)	Ya'ir Hamburger, General Manager	28,666	580	45.2	3
				No.2	28,666	102.1	34.4	
49	40	Koor	Hevrat Ha'ovdim [Workers' Company] (33%)	Beny Ga'on, General Manager	15,400	2,563.4	45.1	(34)
						1,152.1	(8.6)	
50	43	Nafta'	Lapidot (66%)	Yosy Levy, General Manager	unknown	24.4	44.3	0.22
			HNL [expansion unknown] (19%)			1.5	22.4	

1) The specified salary of Ely Horovitz does not include 240,000 shekels that was paid to him this year as differences for previous years.

2) The salary of the outgoing general manager of Mifale Niyar, Shmu'el Rotem, includes a portion of the proceeds of compensation.

Functional Use of Gas Masks Detailed

91AE0037A Tel Aviv MA'ARIV in Hebrew
2 Oct 90 p B10

[Article by Imanu'el Rosen and David Lavi]

[Text]

First and most importantly, how do we go about getting a gas mask?

If you are a resident of Israel and you live in a city, within the next two weeks you will find in your mailbox a notification inviting you and your family to equip

yourselves with ABAK [nuclear, biological, and chemical] kits. Persons who received that announcement yesterday, today, or tomorrow are among the first group that will receive kits as of 15 October, after the Festival of Tabernacles. The entire distribution process is expected to take about two months and to end by the beginning of December.

After receiving the "entitlement notification," which will list the names of all your family members, you are expected to watch the bulletin boards in your neighborhood, where you will find the exact date on which you are to go to the "distribution station" and equip yourself. The dates will be assigned in alphabetical order.

On the respective day you and your family are expected to go to the "station," which will presumably be at the school closest to your home, after school hours. There you will be met by HAGA [Civil Defense Service] reservists, most of them from your neighborhood, accompanied by female soldier instructors and GADNA [Youth Battalions] members. Have your identity card with you.

Note: If for some reason you have not received an "entitlement notification," go to the station on the day on which families whose names begin with the same letter as yours do, and there you will receive both the "entitlement notification" and the equipment. If you are late or you didn't make it on the scheduled day, you will be received the next day. You will receive the equipment to which you are entitled in any case.

At the "distribution station" you will find several by-stations: an instruction and practice station where you will learn how to use the equipment with the aid of films. You will also be able to use the station equipment for practice purposes. There is also a fitting station where the equipment will be adjusted to you and your family members according to their age and size. In addition there will be a special station where your case will be handled if your name does not appear on any list for some reason or other. Finally, there will be a station where you will receive the kit in a sealed box. The box is to be stored in a relatively cool place. You may not open it and use the equipment. There is no need to take it with you when you leave home. Your identity card will be stamped to show that you have received the equipment.

The box will contain gas masks for the adult members of your family, hoods for children, and special hoods for babies; an atropine syringe to be used in case of nerve gas attack, and cleansing powder. The equipment is durable, can last for years, and when the time comes to exchange it, this will be done by HAGA members who will coordinate it with you ahead of time.

If you are hospitalized or live in an old people's home, the equipment will be brought to you and there is no need for you to go to the distribution station. If you live in a rural settlement or a kibbutz, you are not yet included among those receiving the kits, but a decision dealing with your case will be issued within the next few days. Foreign residents, diplomats, and other citizens living in Israel will get the equipment through their consulates. Tourists and Arab residents of the territories are not included in the distribution plan.

How do you put the mask on?

- Release the straps and stretch them out fully.
- Hold the two right-hand straps in your right hand, and the left-hand ones in your left. Hold your hands as far apart as possible.
- Lift the mask to your face.
- Get your chin inside the mask.
- Pull the straps back so that the mask will adhere to your face.

- Hold the practice plug (or filter, if you have attached it) in your left hand, and the top cap in your right hand. Move the top cap up and down until you have found the right spot—on the highest point of your head.
- Lift and lower the mask until your eyes are in the right spot—in the middle of the goggles.
- In this position, pull out the forehead straps (the middle straps) to the desired size. Fasten the ends of the upper and lower straps. Each pair of parallel straps is to be fastened in one move and evenly on both sides. Do not tighten them too much, just enough to seal the mask against air penetration.
- Use your hand to close the air opening on the mask and try to breathe. If the mask sticks to your face it means that it is properly tightened.

What do we need to check when we receive the masks?

Make sure that the size is right for you. Make sure that the mask is not damaged, that there are no holes or tears in it. Check the straps. Each mask has five straps that converge in a sort of rubber cap—the top cap. Each strap has a buckle that serves to adjust the length. Practice using the buckles.

When do we put the filter on?

The filter has two openings. One is a screw-on that attaches to the mask. The second serves to let air in. Both openings are hermetically sealed with plastic plugs, because air humidity can damage the filtering substance. Do not open the filter and do not attach it to the mask until you are instructed to do so by HAGA members or through the media. A practice plug will be given to you so that you can practice putting the mask on without affecting the quality of the filter.

What do I do if I have a beard? Shave it off.

What do I do if I'm caught without a mask? Soak a rag in a solution of water and baking soda. If you don't have baking soda, use soapy water.

How do we protect children and youth?

A protective hood was developed as an improved means of protection for children between two and eight years of age. The hood consists of a flexible head covering with a transparent screen inside that allows for a wide field of vision. On the lower part there is a sort of vest that hugs the body. An air-flow mechanism made up of a blower and a filter is connected to the vest. Gas masks for children and youth are also available.

How do we protect babies?

The MAMAT (protective baby carrier) was designed to protect babies. The baby is placed inside the MAMAT and breathes clean air which gets in through large filters installed in the walls of the MAMAT. In contrast to the

filters on gas masks, these filters are permanently set in place. The baby can be handled through a sleeve-glove in the wall of the MAMAT.

What is an atropine syringe and when is it used?

One of the means of chemical warfare is nerve gas. Both the protection kits and the automatic syringes containing atropine are distributed as a means of protection against nerve gas. The first symptoms of nerve gas injury are blurred vision, tearing eyes, runny nose, excessive salivation, chest pressure, and nausea; these are followed by trembling throughout the body. If these symptoms appear, inject the atropine immediately in the thigh muscle, or in the bottom for babies. The injection can be given through clothing or through the MAMAT. Remove the safety cap from the syringe, hold the green end tightly against the body, and the needle will automatically be released into the body. Allow the syringe to remain in that position for ten seconds, then remove it.

When do we use the cleansing powder?

The protection kit also contains powder containers. The powder is used to absorb substances designed to attack the skin. If you feel a burning sensation on your skin, or if you see anything suspect on your skin, spread the powder on, wait half a minute, then dust it off with a rag.

How do we protect the body?

Any clothing serves to protect against chemical substances, but the best protection is a plastic wrap or raincoat.

(The material cited in this article was based, among other sources, on the book "Emergency Situations" published by the HAGA Command and the Defense Ministry and compiled by Arye Nir and Yosef Eshkol).

REPUBLIC OF YEMEN

Editorial Examines International Impact of Blockade

*91AE0029D Ta'izz AL-JUMHURIYAH in Arabic
13 Sep 90 p 4*

[Article: "Economic Blockade Damages Economies of World's Rich and Poor Countries; Iraq Embodies Principles It Has Declared With Its Readiness to Supply Third World Countries With Free Oil"]

[Text] The economic blockade imposed against fraternal Iraq has inflicted great damage on the economies of many of the world countries, both rich and poor, without any noteworthy exception.

For example, Australian farmers have announced that they will lose \$1 billion in the form of [lost] sheep and wheat sales. Meanwhile, the industrial countries have sent consumers in these countries a gloomy message urging them to be prepared for austerity.

Economic analysts note that the economic impact of the Gulf crisis will surface in the west in a fundamental manner at a later time, except for oil prices. Fears of the outbreak of war in the Gulf have caused oil prices to rise by 50 percent. Moreover, numerous third world countries have begun to incur losses emanating from this crisis as a consequence of the departure of their citizens from Iraq and Kuwait. The reports say that many Indian citizens, as well as Pakistani citizens, will suffer losses as a result of the embargo. A Pakistani official has stated that Pakistan will lose \$1 billion annually.

In Bangladesh, authorities have instructed citizens to observe strict austerity. Even in Japan, a major industrial state, reports indicate that a Japanese firm has gone bankrupt. A Japanese official expects wholesale crude oil prices to rise by one percent [as published].

In Manila, the capital of the Philippines, Filipino merchants expect that many people will starve to death.

People who have become accustomed to eating three meals a day will have to eat only two meals now.

At this particular time, the oil markets are experiencing constant turbulence as a result of the continued Gulf crisis. This turbulence has assumed the form of up-and-down fluctuations in oil prices. In a market moved by rumors and speculation, oil prices fluctuated within the limits of \$3 two days ago, thus highlighting the sensitivity characterizing the oil market at present. Moreover, a Polish official has asserted that his country expects a sharp drop in Soviet oil shipments to Poland next year. However, he denied the reports that Moscow plans to put a complete halt to these shipments. A spokesman for the Warsaw Pact Central Planning Bureau has added that a Polish delegation visited Moscow last week and was informed of this Soviet plan.

It is well known that the oil production of the Soviet Union, the world's biggest oil producer, has declined by 500,000-600,000 barrels daily. Moreover, its oil exports have dropped by nearly $\frac{1}{4}$ million barrels daily, according to a recent report by the International Energy Agency. This drop, according to the report, has led to a reduced domestic demand for oil in the Soviet Union which is experiencing numerous economic problems.

Moscow has announced that it had stopped as of the beginning of this year the marketing of nearly 200,000 barrels of Iraqi oil daily which it acquired by bartering for Soviet goods.

Oil industry analysts say that the drop in Soviet oil production has coincided with the outbreak of the Gulf crisis that has deprived the world market of more than 4 million barrels daily. The East European countries, to which one half the Soviet oil exports go, have suffered a heavier burden than other world countries as a result of the drop in these oil exports, considering that these countries bartered goods or paid for the Soviet oil with their own currencies which cannot be exchanged in the world markets. Polish officials say that at the beginning

of this month, the Soviet Union turned down a request made by Poland, Hungary, Czechoslovakia, and East Germany to supply them with more oil for the remaining months of this year.

It is worth noting here that despite the fact that it is the world's biggest oil producer, the Soviet Union ranks second behind Saudi Arabia in exports. Saudi production has recently risen to more than 7 million barrels daily whereas it is expected that Soviet oil exports will drop to only 3.3 million barrels daily this year.

Despite this drop, Soviet oil export revenues can register an increase in light of the big increase in oil prices in the world markets as a result of the Gulf crisis.

Since the start of the crisis, Iraq has declared, in accordance with the principles which it advocates, that some sort of special dealing must be established with third world countries. Despite the severe campaign and blockade to which fraternal Iraq is subjected, it announced two days ago a new initiative that seeks to rescue the third world countries that are suffering the worst from the way they are treated by the industrial countries. Iraq announced a new initiative in which it declared its willingness to supply all the third world countries with free oil for nothing in return. This initiative has major reverberations in these countries that have welcomed this Iraqi step. But the United States and the western countries oppose this step and consider it just a tactic on the part of Iraq which has been subjected to the economic blockade. This is how these countries want to justify their military and economic campaign against Iraq with the aim of subjugating it to the blackmail of the west which is trying to control not only the Arab world's resources but the resources of the third world countries in their entirety.

Text of New Revenue Law

91AE0029C Sanaa AL-THAWRAH in Arabic
15 Sep 90 p 3

[Article: "AL-THAWRAH Publishes Full Text of Law on Collection of Public Revenues; Collection of Public Revenues by Way of Concerned Agencies in the Finance Ministry, by Public Institutions, and by Awqaf Ministry Only; Legal Measures Against Those Who Refrain From Paying Their Legal Obligations; No Tax or Fee May Be Levied Unless by Law"]

[Text] Sanaa—SABA'—Brother Lieutenant General 'Ali 'Abdallah Salih, the Presidential Council chairman, has issued Law No. 13 of 1990 on the collection of public revenues. The law encompasses 25 articles divided into four sections. Section one contains the nomenclature and general definitions; section two contains the rules governing application; section three contains the rules on ceasing precautionary measures; and the fourth, and final, section contains the final rules of this law.

In the name of the people,

After perusing the agreement proclaiming the Republic of Yemen and the constitution of the Republic of Yemen, and with the approval of the Chamber of Deputies and the Presidential Council, we, the Presidential Council chairman, have issued the following law:

Section One: Nomenclature and General Definitions and Rules

Article 1. This law shall be called the public revenue collection law.

Article 2. The following definitions, wherever they may occur, are intended to signify the meanings with which each is coupled, unless the context signifies another meaning:

Public revenues are the revenues listed in Article 3 of this law.

State treasury is the government account at the Central Bank—revenues/expenditures.

The days listed in the law are the official work days.

Article 3. While observing the collection of all types of alms tax in accordance with the Islamic shari'ah laws, the following shall be collected in accordance with the provisions of this law in all cases where no special law stipulates their collection differently:

A. All kinds of taxes, of direct and indirect sovereignty fees, of fines, of reparations, and of penalties levied in accordance with the provisions of the laws establishing them.

B. All kinds of service fees established by law.

C. All revenues from sales of state-owned agricultural and real estate properties, from oil, mineral resources, capital invested in public and joint organizations and establishments, from quarries, from fines, reparations, and penalties imposed in accordance with the legal provisions governing them, and from other public properties and funds in accordance with the laws establishing them.

D. Unjustifiably spent or embezzled public funds and payable debts.

E. The yield of loans, aid, grants, and of cash and in-kind contributions advanced to the government and its institutions and of whatever is attached to the above, the yield of the public treasury permits and of investment certificates issued by the government, loans which the government or its agencies recover from government workers to whom such loans have been granted, and loans recovered from individuals or from private or public organizations.

F. Revenues payable to the Awqaf [Religious Trusts] Ministry, to the local councils, and to departments, organizations, or institutions that operate totally or partially with public funds or with a government guaranty or surety. This does not include the institutions

whose revenues are, by law, to be collected in accordance with the rules governing the repayment of commercial debts. In all cases, collection shall be made in accordance with a legal request from the organization concerned and for its benefit.

G. All other revenues which special laws stipulate must be collected in accordance with the provisions of this law.

Article 4. Without violating the special legal provisions, public revenues may be collected in accordance with the provisions of this law only by the agencies concerned in the Finance Ministry, by the agencies of the other public organizations and institutions, and by the Awqaf Ministry. The executive bylaws shall define the collection procedures.

Section Two: Application Measures

Article 5. The obligated and the indebted shall pay all their payable obligations in accordance with the laws establishing them. These obligations shall be remitted in accordance with the provisions of this law according to the schedules set by the laws and regulations governing them. They shall be remitted by the obligated or indebted directly or by their representatives in one of the following ways:

A. Cash payment (by money order) to the Central Bank, to a fund, or to any bank authorized by the Central Bank of Yemen.

B. By a check drawn on an accredited bank or by a postal order. The date of deposit and acceptance of the order shall be considered the payment date.

C. By any means determined by this law and its executive bylaws. Regarding the obligated and indebted who have not voluntarily remitted their obligations, they may be pursued by the Finance Ministry and by its agencies concerned.

D. The receipts emanating from or accredited by the Finance Ministry and issued to the obligated or the indebted shall be considered proof absolving the obligated or the indebted within the sum paid for the purpose.

E. Official, numbered, and dated bonds signed by accredited treasurers and approved by the officials concerned in the agencies issuing these bonds. This is for those who are indebted to public organizations and institutions that do not use the forms approved by the administrative agency. In accordance with the law, these bonds shall be considered proof of payment to the debtor agency or organization.

Article 6. The Ministry of Finance may deduct directly or through the Central Bank from the sums it owes other parties from taxes, fees, and other dues legally owed by these parties. No deductions may be made from [sums owed to] commercial banks except by court order.

Article 7. The fact that an obligated or indebted party is simultaneously a debtor of the government or of one of the organizations, institutions, or agencies stipulated in this law shall not prevent payment of the taxes, levies, fees, and other dues owed by the obligated when they become payable and without any delay.

Article 8. Should the obligated or the indebted refuse to pay his legal obligations, the following consecutive steps shall be taken against him in accordance with the law:

A. An ultimatum.

B. Sequestration.

C. Sale of the sequestered assets. The sale shall not be made until an urgent court order is obtained.

Article 9. A. An obligated or indebted individual in arrears shall be warned personally by way of administrative notification that he must pay his obligations within 30 days. Should it be impossible to notify the obligated or indebted personally, then the notification may be delivered at his place of permanent residence or place of permanent work to any person who resides with him and who seems to be 18 years [or older]. Should it be impossible to deliver the notification to the residence or to the permanent place of work, the neighborhood elder, police station chief, defense committee, or people's committee may be notified. The notified party shall undertake to convey the notification in turn to the indebted or obligated person and to have this person sign and attest to his receipt of this notification.

The abovementioned 30-day grace period shall begin as of the date on which the obligated or indebted receives the notification from the neighborhood elder, police station chief, defense committee, or people's committee, whichever the case may be.

B. As for companies and other legal status persons, the notification shall be delivered at their main offices to their board chairmen or executive officers.

C. In all cases, if the obligated or indebted rejects the notification, then the notifying officer shall write a note on the notification document pointing out the incident and shall have two witnesses sign the note. In this case, the notification shall be considered valid as of the date on which it is rejected in the manner stated above.

Article 10. A. The assets of the obligated or indebted who are in arrears may not be sequestered before the lapse of the ultimatum period noted in the above article 9 and before a legal sequestration decision is issued by the public prosecution.

B. As an exception to the provisions of the preceding paragraph, the public prosecution may, at the request of the debtor party and at its responsibility, issue a temporary decision for the immediate sequestration of the obligated or indebted without prior warning if the authorities concerned with the sequestration become certain of the presence of serious and tangible reasons to expect that the assets of the obligated or indebted will be smuggled or concealed, including concealment through

ceding them to others, and if the obligated or indebted has no established residence in the Republic of Yemen. Those subjected to arbitrary sequestration may resort to the judiciary.

Article 11. The sequestration shall be applied to the movable and immovable assets of the obligated or indebted wherever they are found, as well as to their revenues, within the limits of what he owes, provided that the sequestration does not violate the bounds stipulated by the laws in force and provided that the following rules are observed:

A. The sequestration shall begin with the movable assets that are not likely to perish and then proceed to the other assets.

B. If the movable assets are not enough to repay what the obligated owes, then his immovable assets shall be sequestered.

C. In addition to the above, the authority concerned with the sequestration may sequester whatever money the obligated or indebted has with other people. This includes sequestering the revenue of his assets or applying the sequestration to others who control his assets or to his guarantors.

Article 12. The sequestration may not be applied to the house set aside for the residence of the obligated or indebted and of his family members. Furthermore, the sequestration may not be applied to the essential means designed for his sleep and for his basic daily life with his family members who live with him. However, he may continue to be pursued legally.

Article 13. In cases determined by the authority concerned with impoundment, the assets may be delivered in accordance with a legal report to a third person or to the sequestered himself after an inventory of the assets is taken.

Article 14. In the sale of sequestered assets, the interest of the sequestered must be given all possible consideration. The time and place of a sale have an impact on determining the price. The said assets may be sold in installments if this serves the indebted's interest. Moreover, if it is proven that the bidders are in collusion against the indebted's interest, the sale procedures may be ceased and then resumed at a later time by the authority concerned with collection.

Article 15. While observing the provisions of paragraph C of article 8 of this law, if the obligated or indebted fails to pay his obligation within 30 days of the date on which the sequestration is applied, the authority legally concerned with collection shall initiate the procedures for the sale of his assets by public auction. It shall initially have an assessed value for the sequestered assets determined by two fair experts, selected by the two sides, and by an official of the collection administration. Should one of the two selected assessors fail to show up, the judiciary authority concerned shall appoint a substitute

and a legal report shall be written to the effect. The authority concerned shall then announce the sale date on the administration's bulletin board, in a daily, or in any other information medium within a period of no more than 30 days of the date of announcement. The sale of perishable movable goods may be excluded from the abovementioned grace period and such assets may, depending on their nature, be sold as soon as they are impounded.

Article 16. The following shall be observed in the procedures to sell movable assets:

A. A public auction session shall be opened with the assessed value referred to in the preceding article under the chairmanship of a representative of the authority legally concerned with implementation. At session's end, the assets shall be sold at the highest price offered by bidders, provided that it is not lower than the abovementioned assessed value. If the offered price is lower than the assessed value, the session shall be postponed. Another session shall be held and its date shall be determined within no more than 15 days. The first session's minutes shall record the top price offered by bidders and the name of the bidder concerned, provided that the said bidder pay sureties of no less than 10 percent of the price he offers.

B. In the second session, the auction shall be started with the (highest) price recorded in the first session's minutes. If by session's end the price offered is equal to the assessed value or is 10 percent below this value, then the assets shall be sold to the highest bidder.

But if the price offered fails to amount to the above, then the session shall be postponed and a third, and final, session shall be held no sooner than 15 days after this session and after the session minutes record the (highest) price offered by bidders, the name of the bidder offering it, and the surety paid by this bidder in accordance with the provisions of paragraph A of this article.

C. In the third session, the auction shall be started with the highest price offered in the preceding session. At session's end, the assets shall be sold finally at the highest price offered, no matter what it amounts to. The sureties collected from other bidders shall be returned to them.

D. As an exception to the procedures stated in the above paragraphs, perishable movable assets shall be sold in a single session at the highest price offered at the auction, regardless of what it amounts to.

Article 17. In the sale of immovable assets, the following procedures shall be observed:

The same procedures noted in paragraphs A and B of article 16 concerning the first and second public auction sessions. In the third session, the auction shall be started with the highest price offered at the auction. If the price offered in the final session amounts to no less than the assessed value minus 25 percent, the sale shall be initially awarded to the bidder offering this price. But if the

price offered falls below the abovementioned level, then the following procedures shall be observed:

A. Upon the lapse of 10 days on the initial award referred to in the preceding paragraph, a second session shall be held to award the sale finally. In this case, new bidders may make their bids, provided that they offer a price exceeding by at least 10 percent the price established in the initial award. Should a bidder offer this price, then the sale shall be awarded to him finally. But if no bidder offers such a price, the sale shall be made finally to the bidder previously awarded the initial sale. All the sureties paid by all previous bidders shall be returned to them.

B. If the [top] price offered at the third session is 20 percent below the value assessed in accordance with the final provision of the above paragraph A, then the authority concerned with sequestration may decide to sell at the highest price offered at the auction, regardless of what it amounts to, or it may recommend that ownership of the assets be registered in the government's name and that the assets be designated for the Ministry of Finance at a price equaling the assessed value. All sequestration and sale costs shall be deducted from the price of the sold assets if this price exceeds the sums required to be repaid.

In this case, a recommendation shall be made to that effect to the authority concerned in the Ministry of Finance in accordance with what the executive bylaws stipulate. The said authority may approve the recommendation and may instruct that the sale be pursued on the basis of the highest price offered at the auction, whatever this price may be.

C. Immovable property registered in the government's name may not be sold in the manner stipulated in the above paragraph B before the lapse of three years as of the date of registration. The obligated or indebted or their heirs after them may before the lapse of the aforementioned 3-year period request that ownership of the immovable property concerned be restored to them, provided that they pay all the obligations they owe. They shall also be entitled to demand the revenues of the said assets for the aforementioned period.

Article 18. In all cases in which movable and immovable assets belonging to the obligated and the indebted owing public revenues are sold in accordance with the provisions of this law, all the sequestration costs and costs of selling the sequestered assets shall be shouldered by the obligated and indebted and shall be deducted from the final sale price before repayment of the sums they owe and the fines and reparations emanating from them. By a decree he issues, the minister of finance may set the said costs as a lump sum or as a certain percentage of the dues to be collected if the value of the assets sold exceeds the payment of the sums due.

Section Three: Ceasing Precautionary Measures

Article 19. Precautionary measures shall be ceased finally for the cases stipulated in paragraphs A, B, and C of this article and damages shall be paid to the party hurt by the measures in the cases stated in paragraphs A and B:

A. If it becomes certain by the admission of the authority concerned or by court order that a mistake has been made regarding the origin of the development of the obligation and if it is proven that the indebted or obligated is not at all indebted for any reason whatsoever to the public authority concerned.

B. If it is proven that the obligated or indebted has paid the sums required of him, regardless of whether the payment has been made prior to or during the current demand by the department concerned.

C. If it becomes certain that the sequestered assets do not belong to the sequestered person. In this case, the measures taken against the said assets shall be canceled and the indebted shall be pursued through his own assets.

Article 20. The procedural measures shall be halted temporarily for a certain period of time in accordance with the stipulations of the executive bylaws in the following cases:

A. If the indebted is proven to be destitute by a final court decision and if it is proven that further measures against his assets will damage him severely.

B. If the authority concerned with collection confirms the presence of uncontrollable conditions, be they public or private, that prevent continued pursuit of the obligated's or indebted's assets in order to collect the debt in full. The obligation due may be divided into installments paid over the current year or over several years, not exceeding 5 years, in accordance with the provisions of the executive bylaws, provided that a commercial, real estate, or bank surety is submitted to ensure payment of the obligation due.

Section Four: General Rules

Article 21. Obligations which individuals owe the state and which are established in accordance with the principles of the shari'ah and the law shall be considered immediately-payable debts.

Article 22. Any party that refuses to hand over assets in his possession that belong to a person obligated or indebted to the state even though instructed to do so by the judiciary authority concerned shall be responsible to pay with his own assets the obligation owed by the said obligated or indebted to the limit of the funds belonging to this party. In this case, sequestration measures shall be taken against the third persons in accordance with the rules established in this law.

Article 23. No tax or fee may be imposed unless by a law.

Article 24. The minister of finance shall issue all the decrees, regulations, and instructions needed to implement the provisions of this law.

Article 25. This law shall be published in the Official Gazette and shall go into force as of the date of its publication.

Issued at the Presidential Office, Sanaa, on 13 September 1990. Lieutenant General 'Ali 'Abdallah Salih
Presidential Council Chairman

BANGLADESH

Ershad 11 Sep Speech Proclaims Jatiya Unity
91AS0153A Dhaka THE BANGLADESH OBSERVER
in English 12 Sep 90 pp 1, 10

[Text] Hatiya, Sept. 11—President Hussain Muhammad Ershad said here today that the Jatiya Party [JP] had emerged as the strongest and biggest political party in the country and if it was voted to power in the coming election the pace of national development would accelerate further, reports BSS [Bangladesh News Agency].

Addressing a huge public meeting at Oskhali College maidan he called upon the people to rally round the Jatiya Party to promote the welfare of the commonman including the peasants and workers.

He said his government had been serving the down-trodden people for the last eight and a half years and added, we always remain alert so that we could rush to the people and stand by them in their sorrows and sufferings.

In this context, President Ershad said many governments had come in the past and they were tested. He said the people had not forgotten the past including the famine.

He said the basic policy of the Jatiya Party was to promote the welfare of the peasants and workers and to rehabilitate the landless people.

President Ershad described as baseless and unfounded a report published in a daily today which said more than 100 MPs [Members of Parliament] had petitioned him to replace ailing Prime Minister Kazi Zafar Ahmed.

"There is no disunity in the Jatiya Party nor did I receive any such petition," the President told the meeting.

He said the forces afraid at the popularity of the Jatiya Party for its nation-building activities were spreading such baseless stories to create disunity in the JP and misled people.

President Ershad sought the blessings of Allah to serve the people and reiterated his pledge to be more industrious to carry forward the nation-building activities in the future.

Earlier, the President was given a rousing reception when he arrived at the Island upazila to see the condition of the people there and the damage caused to the standing crops by insects.

After landing at the Afazia College maidan the President drove seven Kilometer road to see the condition of standing crops.

President Ershad got down from his jeep at several points and went to the field to see the condition of crop.

On his way to address the public meeting he visited a shop and enquired about the prices of kerosene and other essential items. Thousands of people both men and women, and young and old burst into cheers as President Ershad entered the Oskhali College Maidan.

President Ershad said his government was aware of the problems of Hatiya. He said an agriculture expert would be sent immediately from Dhaka to examine the measures to be taken to save the crops from insects.

The President assured the people that he would send insecticide from Dhaka immediately which would be distributed among peasants free of cost to protect the crops from insects.

Landless People to Get Khas Land

President Ershad said khas land available in the upazila would be distributed among the landless people. He asked the Vice President to ascertain the khas land available there in consultation with local leaders and submit a proposal to him in this regard.

Amid loud cheers the President declared that the government would start construction of a 25 kilometer pucca road in the Upazila this year and added that the road would be completed in phases.

Ershad Inaugurates Dam, Bigger Crops Predicted
91AS0179A Dhaka THE BANGLADESH OBSERVER
in English 21 Sep 90 pp 1, 10

[Text] Ramdia (Thakurgaon), 20 September—President Hussain Muhammad Ershad said here today that his government was determined to make the country self-sufficient in food within the next 2 years by providing all necessary inputs and irrigation facilities, reports BSS.

Inaugurating the Tangon barrage in the greater Dinajpur district here this morning, the president said Bangladesh this year produced 1 crore 95 lakh tons of foodgrains, a record production, and the country was likely to produce 2 crore tons of foodgrains by 1992.

The barrage which was constructed on the river Tangon is 35.36 meter long and has the capacity to discharge 287 cubic meter water per second. The project was taken up in 1983 at the initiative of President Ershad and its construction cost was Taka 1249.89 lakh including a foreign exchange component of Taka 35.70 lakh. The Asian Development Bank and the EEC mobilised the external resources.

Inaugurating the barrage, the largest in Dinajpur, President Ershad said his government does not believe in false promises and the politics of tall talks. He said the Tangon barrage in Thakurgaon was inaugurated only after 45 days of the inauguration of the country's largest Teesta barrage in greater Rangpur district.

He said the main objective of such projects were to make the country self-sufficient in food and change the fate of

the poor villagers. "The Jatiya party government believes in the politics of production—both in field and factories"—he said.

The inaugural function was also addressed by Irrigation, Water Development and Flood Control Minister A.B.M. Ghulam Mostafa, and Social Welfare Minister Rezwanul Huq Chowdhury. A large number of people from greater Dinajpur district, members of Parliament and high officials were present.

President Ershad said the Teesta barrage which was inaugurated last month would be regarded as a milestone in our national economy as thousands of acres of land in the northern districts would now come under irrigation. He said the Tangon barrage would also help produce additional foodgrains of about 5000 metric tons, create employment opportunity additional 85,000 labourers and facilitate additional fish cultivation. [as published]

He said the project was thought about 40 years ago, but two government had taken positive measures for its construction. [as published] Those who ruled the country earlier had failed to appreciate the problems of the country's poor farmer, the president said, adding it was his government who was implementing such projects, one after another. He said the Jatiya Party government sincerely believes that the country's survival and development depended on the development of the poor farmers as they constitute the larger segment of the society.

President Ershad said along with agricultural development the Jatiya Party government was also putting its all out efforts to bring about an industrial revolution in the country. In this context stability in the country for the last 8 years had already attracted foreign investors. The president called upon the people irrespective of their political belief to help maintain the present political stability, so that the country goes ahead with its development programme uninterrupted.

Visiting DPRK Official Meets Ershad, Results Told

91AS0151A Dhaka *THE BANGLADESH OBSERVER* in English 16 Sep 90 p 1

[Text] President Hussain Muhammad Ershad has been invited to visit Democratic Republic of Korea (DPRK) and the visit may take place some time in March or April next.

Pyongyang's invitation to President Ershad was conveyed by Vice Foreign Minister of DPRK Cho Gyu II during talks between the two countries in Dhaka Saturday, an official spokesman said, reports UNB [United News of Bangladesh].

It has been accepted and the visit may take place sometime in March or April next, he added.

The visiting Vice-Foreign Minister led the DPRK side at the talks while the Bangladesh team was headed by acting Foreign Secretary Mustafizur Rahman.

The spokesman said that during 90-minute talks, the two sides discussed bilateral matters as well as regional and international issues of common concern.

It was decided at the talks to increase volume to bilateral trade to remove trade imbalance currently against Bangladesh, he said.

The two sides also exchanged views on various regional and international issues, including Kashmir and Kampuchea.

Current Gulf crisis featured prominently at the talks and both sides expressed identical views strongly opposing the occupation of Kuwait by Iraq.

The meeting also expressed satisfaction over the recent talks between the prime ministers of the two Koreas emphasising "reunification" through negotiations.

Commerce Minister Discusses Exports to Mideast

91AS0152A Dhaka *THE NEW NATION* in English
14 Sep 90 p 3

[Text] Commerce Minister M. Shamsul Haq said in Dhaka Wednesday that the country's export earnings from the Middle East countries during 1989-90 fiscal stood at 116.48 million US dollars, which was 7.64 percent of the total export earnings, reports BSS [Bangladesh News Agency].

He said the total export to Kuwait and Iraq during the fiscal was 12.87 million dollars, which was 0.84 percent of the country's total export earnings and 11.12 percent of total earnings from the Middle East countries.

The Commerce Minister was exchanging views with the members of the Federation of Bangladesh Chamber of Commerce and Industry [FBCCI] at its conference room in Dhaka in the afternoon.

Presided over by FBCCI President Al-Haj Mohammad Akram Hossain, the meeting was also addressed by Commerce Secretary M. Mohammel Haq. Representatives of different chambers of commerce and industry took part in the discussion. Senior officials of the Ministry of Commerce were present.

The Minister said Bangladesh's export to Middle East countries was virtually restricted to five items which included jute goods, raw jute, tea, vegetables, fruits and frozen fish. He said during the last fiscal Bangladesh earned 85.74 million US dollars by exporting jute goods, 11.43 million dollars from raw jute, 10.31 million dollars from tea, 4.38 million dollars from vegetables and fruits, 0.78 million dollars from frozen fish.

The Commerce Minister said Bangladesh imported petroleum products worth 141.45 million US dollars during 1989-90 (up to April) from the Middle East

countries. He said the country also imported "non-metal minerals" to the tune of 10.81 million US dollars, fruits—4.98 million dollars and chemicals 6.51 million dollars.

Mr. Mokammel Haque said the government had no plan to ban imports altogether under the present circumstances. Import of essentials would not be hampered, he added.

Earlier welcoming the Minister Al-Haj Akram Hossain suggested that import of all items excluding essentials should be kept at an appropriate limit. He also called for taking stern measures to stop smuggling of petroleum products.

Crash Program for Indigenous Oil Supply Planned

*9IAS0178A Dhaka THE BANGLADESH OBSERVER
in English 25 Sep 90 pp 1, 10*

[Text] Almost one-fifth of the country's demand for petroleum, oil and lubricants (POL) will be met from within by December 1991 under a crash programme undertaken by the government, said the energy minister.

Ziauddin Ahmed told UNB Monday urgent steps are being taken under the programme to expedite implementation works of the Condensate Recovery Project with assistance from the World Bank and Overseas Development Authority (ODA) of the UK.

The implementation of the programme at directives of President Ershad will help raise condensate production from current 950 to 4,000 barrels a day from the country's gas fields, he said.

The minister stated a high-power technical committee will submit its feasibility report early next month on the Tk [takas] 100 crore project, work on which will begin in December this year. On completion, the project will help produce condensate worth Tk 250 crore a year.

He said the current Gulf crisis has prompted the government to take urgent steps for alternate fuel arrangements. Because, POL import bill, originally projected at Tk 1,100 crore (420 million dollars) for 1990-91, will substantially go up.

He observed it is difficult to make any clear assessment at this stage about additional POL import bill because of uncertainties about oil price in the international market.

Ziauddin said the domestic oil price has been raised by 25 percent on an average from 1 September this year, though the international prices have gone up to 100 percent following the Gulf crisis.

About alternate fuel arrangements, he pointed out a 5000-ton capacity Liquified Petroleum Gas (LPG) plant will be set up at Kailashtila in Sylhet during the Fourth 5-Year Plan period (1990-95).

Another big LPG plant with a 40,000-ton annual capacity will be set up during the Fourth Plan at Bhau-pur, Tangail, he said. The LPG will gradually replace Kerosene in the rural as well as urban areas now without gas pipeline.

The energy minister said a number of other development programmes including a Compressed Natural Gas (CNG) project at Uttara, Dhaka, a coal extraction and a 300-megawatt coal-fired power plants at Barapukuria, Dinajpur, will be expeditiously implemented during the Fourth Plan. External funding arrangements have more or less been finalised.

About the existing oil supply situation, he said the available stock as on 23 September at 260,567 metric tons is sufficient to meet the requirements in next few months. Country's daily POL requirement is 7,658 metric tons.

He termed the pipeline arrangements for oil supplies satisfactory.

Government Directive Outlines Austerity Measures

*9IAS0154 Dhaka THE BANGLADESH OBSERVER
in English 8 Sep 90 pp 1, 10*

[Text] The government has taken up a package of measures aimed at substantially reducing non-development expenditures through austerity and other means under short and long-term programme in the light of the global situation and the country's economic position, reports BSS [Bangladesh News Agency].

The measures outlined in a directive of the Finance Ministry has already effected and will be applicable in all government, semi-government and autonomous organisations and their affiliated bodies. The President had earlier approved the measures, the directive mentioned.

The measures call for reducing expenses and keeping all expenditure within the budgetary allocation. Since development expenditures could not be slashed because of certain reasons, the pressure fell on the revenue budget, the directive said.

Ten percent of the ancillary expenditures in the revenue budget of the current fiscal year will have to be cut and the saved amount will have to be surrendered immediately.

The new measures which are a continuation of steps already taken following the Gulf crisis, completely restrict creation of posts under revenue budget other than those approved by the President. Unless indispensable, no new post could also be created under development budget.

The directive asked all government, semi-government and autonomous bodies to re-evaluate their manpower

strength and on this basis reduce manpower wherever necessary. Vacant posts will have to be filled by surplus manpower.

Postings or transfers from Bangladesh missions abroad have been temporarily postponed and no new posts could be created or filled up vacant posts [as published]. Foreign visits at government expenses will remain suspended for the current year except on invitation or for attending state level meetings needed for emergency situation.

All expenditures will have to be incurred within the budgetary provision and there should be no extra expenditures in anticipation of excess allocation in the supplementary budget because additional funding in revenue budget will not be possible, it stated.

Necessary steps will be taken to reduce subsidy. There could be no import or purchase of imported goods taking funds from revenue budget. The bar will now, however, be applicable to those cases for which agreement had already been signed and also for procurement of less costly stationery goods.

Utmost austerity will have to be observed in the procurement of furniture and vehicles and their repair, entertainment and the use of telephone, postage, telex and fax, expenditures in these cases beyond budget will not be accepted, the directive cautioned.

The other measures included discouraging "overtime work," reduction of expenditure on foreign tour and ban on holding unnecessary seminary and workshop. Arrears in electricity, water and telephone bills will not be allowed, it warned.

As part of the measures the government has already enforced closure of petrol pumps on Friday to conserve fuel, closure of shops and other establishments at 8 p.m. and ban on the import of non-essentials.

Further measures were likely to be announced by the "Emergency Management Committee," on the recommendations of the "special committee" which is working out plans to offset the impact of the Gulf crisis on the country's economy. The Vice President is the chairman of the emergency committee, while special committee is headed by the Finance Minister.

Returned Workers from Middle East Face Hardship

Middle East Jobs Sought

91AS0177A Dhaka *THE BANGLADESH OBSERVER*
in English 26 Sep 90 pp 1, 10

[Text] The government has decided to send special delegations to different Middle East countries to find jobs for Bangladeshi returnees from Kuwait and Iraq, a foreign office spokesman said in Dhaka on Tuesday reports BSS [?Bangladesh News Agency].

Replying to a question about the rehabilitation of the Bangladeshi returnees, the spokesman said "It is the responsibility of the government to rehabilitate them."

"Our primary concern is to repatriate our people from Kuwait and Iraq and we are successfully completing this task, the spokesman said. The second priority is to rehabilitate them with jobs in the Middle East and other countries, he said.

Besides the Middle East countries. The government has plans to send special delegations to Japan, Malaysia and African countries to explore job opportunities for them.

The spokesman said the government was maintaining accounts of the Bangladeshi returning from Kuwait and Iraq. On arrival at Zia International Airport each repatriated Bangladeshi was being provided with a prescribed form to declare his assets and deposits in the bank accounts in the country he worked.

The spokesman hoped that the situation in Kuwait would be normal in the near future when the government could claim compensation on behalf of the affected people.

Government Efforts Assessed

91AS0177B Dhaka *THE NEW NATION* in English
26 Sep 90 p 5

[Editorial: "Bangladesh Expatriates—What Future"]

[Text] By now more than half of our expatriate nationals have returned home from the strife-torn Gulf region. They are being flown in by planes of the national flag carrier Biman as well as those made available by friendly countries and a host of international organisations. Most of these Bangladeshi till recently earning hefty foreign exchange for the country but now deprived of their pay, bank deposits and belongings have been rendered paupers. Then they found themselves queuing up for a morsel of food while agonisingly waiting for repatriation in camps often unworthy of living.

We often hear of many official and non-official charitable organisations coming to the rescue of the needy. None of them seem to have been moved by the condition of these returnees. A little initiative by way of provision for their temporary stay and arrangement to reach them to their destinations would have been greatly appreciated. Considering the great hardship and the traumatic experience undergone by them this is much too small a gesture on our part.

Even according to modest estimation these unfortunate people have been contributing some 10 crore dollar to our foreign exchange coffer annually. That is besides the contribution to lessening pressure on employment and perhaps generating it indirectly. What makes their contribution all the more significant is that being unskilled or semiskilled most of them earned it the hard way. Naturally, they would not like to remain a burden on

others. In order to support themselves they would need secure jobs. But such a prospect does not look very bright.

However, the labour minister thinks otherwise. He has given a categorical assurance that 25 thousand Bangladeshis will be provided with jobs within the next 2 months. According to him, 17 thousand will be absorbed in Saudi Arabia and the rest in UAE, Qatar, Bahrain, etc. In addition, the government is exploring employment markets in the countries of the Far East. Even if the Labour Minister's assurance materialises a big chunk of the returnees will still be left without jobs. One way or the other, the government must address itself to the task of exploring new avenues for their employment abroad on a priority basis. In fact, such contingency plans ought to have been made much earlier. There is just no time to waste.

Soviet Couple Granted Temporary Political Asylum

*9IAS0176A Dhaka THE NEW NATION in English
21 Sep 90 pp 1, 8*

[Text] The Soviet couple—Mr Tulsinki Arkadi Victorvit and his wife Mrs Anna Tulsin—both working as Russian language instructors at the Cultural Centre of the Soviet Embassy in Dhaka, has been granted temporary stay permit in Bangladesh till the question of political asylum is settled.

A Foreign Ministry spokesman said at a regular briefing yesterday that the couple applied on 12 September for political asylum in Bangladesh following what he called "a personal conflict." "We are convinced that the whole thing was based on personal conflict and nothing more," he said and added "we have permitted them to stay temporarily in Bangladesh till such time as the issue of their political asylum is settled."

The spokesman told a questioner that the Foreign Ministry called the couple as well as the Soviet Embassy people and discussed the issue for "a mutual settlement." But the efforts went in vain, he remarked.

When asked whether the Soviet couple was drug-addict as reportedly alleged by the Soviet Ambassador in Dhaka, he replied in the negative saying there was no evidence of such addiction.

Both Mr Tulsinki and Mrs Tulsin, who were working as nondiplomatic staff at the Soviet Cultural Centre, had applied to the Bangladesh Government for political asylum, for the first time by any foreigner, on 12 September and lodged a diary at the Dhanmondi police station in the city seeking protection for their personal security as they alleged that they were kept confined for a few days and tortured by Soviet diplomats.

They are now staying on their own in the city and they were advised to keep the government informed of their whereabouts.

Asked whether the Soviet couple is willing to go to any third country in the Western Europe, the spokesman said it is up to them to decide and they are free to go anywhere they like.

The spokesman declined to say specifically how long it would take to grant the couple political asylum in Bangladesh.

INDIA

V.P. Singh, Others Speak At 8 Oct Patna Rally

*9IAS0145A Madras THE HINDU in English
9 Oct 90 p 9*

[Text] Patna, 8 Oct—The rally of pro-reservationists at the historic Gandhi Maidan today turned out to be an unprecedented display of "backward" power, providing the much needed boost to the Prime Minister, Mr V.P. Singh. The impressive turnout of people, mostly from the backward caste-dominated districts of Bihar, was also a personal triumph for the Chief Minister, Mr Lallu Prasad Yadav, who announced amidst prolonged cheers that a similar rally would be staged at the Delhi Boat Club to give a "fitting reply" to the 7 August farmers' rally at the same venue and convincingly demonstrate who enjoyed the real support of the downtrodden masses. Hailing Mr V.P. Singh as the messiah of the poor and the downtrodden, next only to the Buddha and Mahavir Jain, the Chief Minister on behalf of the people of Bihar conferred on the Prime Minister the sobriquet of "Bharat Jananayak" (leader of the Indian people).

Addressing the rally, which coincided with the death anniversary of Jayaprakash Narayan, the Prime Minister cautioned the people against communal polarisation as it would push the country to the brink of balkanisation.

"We should wait for some time for the Court's verdict on the Ram-Janmabhoomi issue instead of hastening to lay the foundation of the Ram temple," he said.

Elaborating his point, Mr Singh said that polarisation along religious lines would mean giving a fillip to the Khalistanis in Punjab, the subversives in Kashmir valley and some Christian missionaries in the north eastern region. "Instead of running after each other's blood, we should be prepared to sacrifice our lives at the country's border, which is the most sacred spot for the nation," he urged the people.

The Prime Minister said: "V.P. Singh can be removed from his chair but not from the hearths and hearts of the poor and the downtrodden. We are not bonded to the throne of Delhi but to the poor and the oppressed, the deprived and the neglected. I do not promise the moon to you but I assure you that even if we have only one bread it shall be shared equally." He said it was his earnest wish that those who had been deprived and downtrodden for centuries, should participate in the running of the Government because that would

strengthen the country's unity. He did not want confrontation with those who were angry because of his decision to implement job reservations, but would like to tell them that they should embrace their deprived and the downtrodden brothers and sisters. Only such people were truly great as gave something to others and history remembered only those who fought not for themselves but for the cause of others. He said some backward youths had recently "told me that there is a turmoil in the country because you gave us something. Are we outsiders? Do we not belong to this country. I had no reply to their question."

The National Front Government accorded top priority to providing sources of livelihood and gainful employment to the youth with the resources at its disposal. This would be incorporated in the country's Constitution. It had been decided to set up a National Council for youth by the month-end and later at the State level. The Government had also decided to earmark Rs [rupees] 120 crores for self-employment schemes for youth besides another Rs 50 crores to poor and meritorious students for higher studies and grant of licences and quotas to the youth for gas, fertilizer agencies and the like. Mr Singh repeatedly stressed that the poor were fighting not only for money but also for participation in Government which would automatically give them money.

Mr Singh paid rich tributes to the Chief Minister whom he described as the symbol of revolution. The Chief Minister on his part assured the Prime Minister of the unstinted support of the people of Bihar and declared that even if the heavens fell there would [be] no compromise on the Mandal decision.

Mr Subodh Kant Sahay, Union Minister of State for Home, dubbed Mr Rajiv Gandhi a dishonest politician and warned that those who were trying to stop the moving wheel of change would be crushed and killed. The Union Industry Minister congratulated the Chief Minister on his bold decision to give Government jobs to those who married outside their castes. Mr Bhage Govardhan, Union Minister of State, quoted a report from THE HINDU which held that merit would not be a casualty because of the Mandal decision. The Union Textiles Minister, Mr Sharad Yadav warned against the evil designs of the people who were moving in a chariot to construct the Rama temple at Ayodhya. "I tell you the Mandal chariot would be crushed if there are communal riots and V.P. Singh and Lallu Prasad Yadav would be removed from their offices. So you should be prepared to sacrifice your own lives to save the lives of Muslims," he said.

The Janata Dal President, Mr S.R. Bommai said the Janata Dal Government had brought about a peaceful revolution in the country.

India Said To Thwart Iraqi Try Against Sanctions
9IAS0146A Madras THE HINDU in English
9 Oct 90 p 6

[Article by F.J. Khergamvala]

[Text] Dubayy, 8 Oct—Before the air embargo was sanctioned against Iraq by the UN Security Council, India had refused an Iraqi attempt to get New Delhi to bust sanctions in return for providing Iraq Airways planes to fly out evacuees from Kuwait.

Between 29 August and 5 September, soon after Iraq insisted that its airline be used to fly out evacuees, India made serious efforts to charter 10 Iraqi Airways flights from Baghdad to Bombay. In anticipation, Indian authorities then sought overflight rights from a few of Iraq's neighbouring countries, including Saudi Arabia.

Unacceptable Condition

Eventually the Saudis denied permission but by then the question became academic as Iraq had placed an unacceptable precondition to India's request. Iraq had asked that the return flights from Bombay be loaded with food supplies and medicines which Iraqi officials had arranged in Bombay. A high-ranking Arab civil aviation source, who requested anonymity, because Iraqi officials knew he was privy to these suggested arrangements, said that an Iraqi cargo airfreighter was stranded in Bombay at the time the trade embargo Resolution was passed by the Security Council. Part of the consignment it was to lift in Bombay was then to be brought to Baghdad on Iraq Airways charter flights that would have been used to take out evacuees.

"That backlog would have been a small part of what Iraqi officials in Bombay had arranged to send on the empty returning Iraq Airways planes" said the source. He added that he did not know if the cargo plane stranded in Bombay was still there but evaluated that "each Boeing B-747 Iraq Airways charter plane would have a load capacity of about 18 to 19 tonnes plus cabin space." "Ten such flights would have easily brought in more than 200 tonnes of food and medicines."

The channel through which Iraq had demanded that returning aircraft be loaded with such supplies is not clear but the External Affairs Ministry in New Delhi immediately refused to accede to the demand and dropped the idea of chartering Iraq Airways for evacuation. Though medicines are permitted to be sent to Iraq under Resolution 661, it bans all other items, including food unless cleared by the sanctions committee of the Security Council "in humanitarian circumstances." Thus even though the air embargo was enforced only in the last week of September, had India permitted the loading of food supplies on to Iraqi Airways planes it would have been in clear violation of the trade embargo.

Air India's Regional Director for West Asia, Mr M.P. Mascarenhas, denied any knowledge of what transpired beyond his initial request to Iraq for chartering planes

and subsequent instructions not to pursue the matter. He agreed he was in Baghdad on 31 August had requested the planes and set in motion procedures to obtain overflight permission [sentence as published].

Time Lag

Mr Mascarenhas admitted that the time lag between the request for charter planes and the eventual negative response was unusually long. Asked if he thought Saudi Arabia's later refusal of overflight permission was the sole reason for the plan being dropped he replied "I really don't know what happened outside my jurisdiction."

It is reasonable to assume that Iraqi consular officials and Iraq Airways offices in Bombay had, under the supervision of the Embassy in New Delhi, acted as the main channel for this effort to get India to play a part in sanctions busting. It is after India refused this demand that additional Iraq Airways planes were chartered to western countries to fly out their nationals.

Outwitted

Perhaps the most interesting conclusion emerges out of this episode in the linkage between India's refusal and Iraq's going back on an assurance to Mr I.K. Gujral—when he visited Baghdad on 24 August—that India could evacuate people by sea at will. Iraq later insisted that such evacuation by sea could be effected if India, or anybody else sent food for the stranded foreigners. The dates suggest a very strong connection in the Iraqi formula of "no planes for you if you don't allow us to import food and not even your ships can come unless you send food." Subsequently India did effect a food shipment on proper authority of the UN. It may even be surmised that India responded to Iraqi blackmail through clever, legally manoeuvred multilateral diplomacy at the UN. It also shows that underneath the apparent indulgence towards Baghdad, New Delhi has enforced sanctions strictly, even at a time nobody might have detected 10 plane-loads of medicines and embargoed food going to Iraq.

Effects of Gulf Crisis on Indian Economy Discussed

Official Estimates

91AS0150A Madras THE HINDU in English
6 Oct 90 p 6

[Text] New Delhi, 5 Oct—The continuing crisis in West Asia is likely to place an additional burden of \$2.8 billions (about Rs [rupees] 5,040 crores) on the Indian economy over the next 12 months (October 1990–September '91). According to official estimates, the additional burden on the petroleum import bill will be around \$2.36 billions (about Rs 4,248 crores). The other relatively minor burdens are in respect of the foreign exchange cost of evacuation of stranded Indians estimated to be \$200 millions (about Rs 360 crores) and loss

of exports to Iraq and Kuwait around \$200 millions (about Rs 360 crores), adding up to a total of about \$2.8 billions.

In the estimation, the official sources have taken the crude oil prices at a benchmark of \$25 (about Rs 450) a barrel against the price of \$18 (about Rs 324) a barrel had there been no Gulf crisis. However, the cost of petroleum products is expected to go up sharply because of the loss of substantial refining capacity in Iraq and Kuwait. West Asia has a refining capacity of approximately 200 million tonnes a year, of which about 60 million tonnes has become out of bounds in Iraq and Kuwait.

The Indian officials have also estimated the bill for petroleum products to be higher because for the last two years, Iraq has been making repayments for some of the projects executed by Indian companies in that country through petroleum products. This would not be available to India now and would have to be procured from the open market. Over the next 12 months, India's imports of crude oil have been placed at 20 million tonnes and petroleum products at nine million tonnes, whereas till March 1991, crude oil imports are expected to be about 12 million tonnes.

Negligible Loss

The estimates have also found that there would not be much of a loss on the remittances front since only about \$200 millions came from Iraq and Kuwait last year. Similarly, deposits in the Foreign Currency Non-Resident (FCNR) account from these two countries was a paltry two to three percent, the loss of which is expected to be offset through higher deposits from other Gulf countries because of the uncertainty prevailing in that region. Therefore, taking the flow of deposits and remittances from West Asia as a whole, the expectation is that the net loss on account of the Gulf crisis would be negligible.

There are varying estimates on the cost of evacuation of Indians from the two countries, but official estimates put the foreign exchange outgo for the evacuation of about one lakh Indians at \$200 millions. Even on the exports front, the loss for India because of the UN embargo can at best be \$200 millions to \$250 millions, that being the total Indian exports to Iraq and Kuwait. Extending this factor to other countries, where there is an expectation of a slow down in economic growth because of high oil prices, the official estimates are that the effect on India is unlikely to be significant in view of the faster growth of Indian exports vis-a-vis world trade.

To tide over the problem, the Government is planning to make special efforts to increase exports to specified countries like Japan and some of the oil exporting nations, launch special programmes to mobilise additional external assistance and accelerate disbursements of aid in the pipeline and contain import demand, particularly for components by shifting them to export replenishment licences, etc.

Mideast Imports Affected

91AS0150A Bombay THE TIMES OF INDIA
in English 23 Sep 90 p 13

[Article by Raman Kapoor; quotation marks as published]

[Text] Dubayy, 22 Sep—The fall-out from the Gulf situation is grim for India. The oil bill for India has surged by at least \$2 billion—calculated at an oil price not exceeding \$32 a barrel, its exports are heading for a sharp plunge, and the balance of payments rapidly deteriorating to a historic low.

While the rupee [R] has fallen sharply in value since the Gulf crisis began seven weeks ago, the prospects for attracting foreign investments from the West and Japan have become dismal.

Major projects—non-oil and non-defence have been put on hold in the entire Middle East, and the prospects for Indian contracts, exports and remittances have suffered a serious setback. Indian losses from Iraq and Kuwait, where an embargo exists on all the projects, run into several hundred million dollars.

With interest rates poised to increase, the United States on the verge of stagflation, and with trading prospects in the Middle East being far from optimistic, India with its falling rupee is also constrained to pay high real interest rates on its foreign debt of \$69 billion. Higher interest rates will erode the competitiveness of Indian exports, further jacking up trade deficit.

The Indian rupee, since the Gulf crisis began, stands devalued as of Friday by 4.69 percent against the dollar, 5.73 percent against the pound, and 11.43 percent against the Deutsche mark [DM].

Before 2 August, the day of the Iraqi invasion of Kuwait, the rupee's parity thus far in the year had remained stable vis-a-vis the dollar, but it lost ground by 20.3 percent against the sterling, and by 4.7 percent against the DM.

The critical factor of worry is how high the oil price will go. During the past four days, oil price has nudged beyond \$37 a barrel. Yesterday, the October crude closed in the United States at \$34.75, while the November price rose to \$33.50.

With the winter approaching, the price beyond \$40 is becoming a probability if the present military stand-off continues in the Gulf, it is felt.

Any such further increase in oil price will greatly worsen India's precarious balance of payments situation. India's total foreign exchange reserves are hovering between Rs 3,500 and Rs 4,000 crores (\$2.2-2.5 billion) enough for three weeks of imports, as against the desired reserves of Rs 7,500 crores.

A tighter oil price market is expected in the fourth quarter, if the severe cold weather and extensive refinery

closures in the Gulf occur. The situation has been made worse by substitute crudes being heavier than Iraqi and Kuwaiti supplies, together with the loss of upgraded refinery capacity in Kuwait (700,000 b/d).

Two other adverse elements may push up oil prices further in the coming weeks. First, the problems with the North Sea and Soviet exports pipelines, and second is the threat of supply disruptions from Western Siberia because of a strike ultimatum by its oil and gas workers.

The Siberian strike would be disastrous for India which is expected to pick up 4.5 million tonnes of petroleum from the USSR from its Black Sea terminal. In the event of a stir, even the Soviet economy may be disrupted. The United States is wooing USSR to supply it with oil on hard-cash, which may lure cash-strapped Soviets into diverting shipments from their traditional clients.

In such a scenario, the Indian Government might have to request the Gulf countries to accommodate its additional oil requirements, it is felt.

Even at \$25 a barrel, India has faced problems over the last few weeks in affording oil imports. Credit terms are becoming more difficult even in government-to-government deals, whereas spot purchases have to be duly via letters of credit.

Because of the loss of a large refining and downstream capacity, prices of petroleum products have risen sharply which may threaten the Indian industry.

Sulphur Imports

Sulphur imports by India from the region are also under pressure, as there is not only a supply shortfall—because of the loss of Iraq and Kuwait production—its prices have shot up by 25 percent. India has been lifting half of its requirements of 2 million tonnes of sulphur from the Gulf region.

India had a contract to import nearly 200,000 tonnes of sulphur from Iraq and an equal quantity from Kuwait but both have been lost because of the embargo. It also has a contract of 400,000 tonnes with Saudi Arabia, another 200,000 tonnes from other Gulf producers and about 150,000 tonnes from Iran.

Naptha's price has also rocketed, rocking the Indian fertiliser industry.

Ammonia supplies to India, mainly from Kuwait, have been badly hit. From Kuwait, it was lifting 100,000 to 150,000 tonnes. It has a contract with Saudi Arabia for about 150,000 tonnes, Qatar 500,000 tonnes, and the UAE about 30,000 to 40,000 tonnes, trade sources said.

While Indians living in the Gulf do not betray panic, NRIs [non-resident Indians] there are now more seriously looking at self-employment opportunities back home. They would like to invest in India, and during the last few weeks, have evinced considerable interest in the projects and procedures for mobilising such investments.

Therefore, in the present context when the need to stimulate non-repatriable investments is so paramount, the government move to close down the India Investment Centre [IIC] in Abu Dhabi, is most regrettable, feel the Gulf NRIs.

The IIC has been so far instrumental in directly establishing over 400 projects, with an investment of Rs 500 crores, but a large number of additional projects have been induced by it, involving vital technology transfer.

While there is the potential to raise the number of NRI projects to 10,000 according to leading NRIs, the government move to shut down the IIC is confounding at a time when it should have been further strengthened, it is felt.

The government decision is ill-advised, considering that IIC alone is the critical institution that can stimulate non-repatriable NRI investments.

The number of projects expected to be set up with IIC help this year is 75, involving an investment of Rs 200-250 crores. The number could grow higher if the Gulf uncertainty persists.

During the past four years, the number of IIC-handled projects and their cost have been rising. For instance, in 1987, IIC directly handled 39 projects at a cost of Rs 105 crores, in 1988 it handled 43 projects (Rs 124 crores), and in 1989 it handled 46 projects (Rs 151 crores).

IIC has been annually handling over 8,000 inquiries, of which 1,200 fructify into project inquiries; of these 250 reach a serious stage. A lot of people have been getting information from the IIC and going directly for projects.

Observers say that if during the crisis had an instrument like the SBI [State Bank of India?] bond before the current crisis, a lot of Kuwaiti Indians would have been saved from financial disaster [sentence as published]. Besides, a lot of flight of capital that went into the volatile 'hot-money' FCNR [Foreign Currency Non-Resident] deposits could have been averted.

IRAN

Heavy Industries Ministry Issues Production Statistics

*91AS0108B Tehran JOMHURI-YE ESLAMI in Persian
8 Sep 90 p 4*

[Text] During the first five months of the current year the rate of production of various types of trucks serving urban areas rose by 283 percent, while that of various kinds of electric lathes advanced by 143 percent, as compared with the similar period last year.

The public relations office of the Ministry of Heavy Industries on Thursday, in an interview with IRNA [Islamic Republic News Agency], announced: According to the recently formulated policy and following the

example of the unified efforts of the heavy industry entrepreneurs, the rate of production of the said ministry has increased appreciably.

This report further indicates that during the period in question the rate of production of various kinds of pickup trucks rose 122 percent, that of light and medium-heavy trucks grew 69 percent, Landrover production gained 103 percent, Renault heavy trucks increased 43 percent, various kinds of lift-trucks advanced by 194 percent, that of combines appreciated by 45 percent. Likewise, production of railroad freighters shot up by 81 percent, that of derricks increased by 87 percent, production of various types of spark plugs rose by 42 percent, that of automobile radiators advanced by 100 percent, gearbox production went up by 101 percent, that of various types of high-pressure pumps increased by 162 percent, production of floating pumps rose 137 percent, that of drilling machines by 36 percent, air compressor production advanced by 256 percent, that of industrial steam boilers by 356 percent, and production of various other types of industrial repository rose by 102 percent.

Similarly, the manufacture of power-house boilers increased by 323 percent, while at the same time the production of power-line steel transmission towers advanced by 82 percent, that of metal scaffolding expanded by 86 percent, production of various types of sheet metal and pipes advanced by 243 percent, that of aluminum sheet rose by 305 percent, galvanized pipes production grew by 88 percent, and likewise production of agricultural machinery showed similar percentage increases.

Ayatollah Azari-Qomi Interviewed on Assembly of Experts

*91AS0063B Tehran RESALAT in Persian
30 Sep 90 pp 3, 11*

[Text] News Division: No one can violate the sanctioned laws of the Assembly of Experts either canonically or legally, not even the Council of Guardians.

His excellency Ayatollah Azari-Qomi, candidate for the Assembly of Experts, in a special interview with RESALAT's correspondent, while making the above statement, further added: Only under one condition can the sanctioned laws of the Assembly of Experts be broken, and that is by the great leader of the nation since he has the absolute power of rulership.

With regard to the significance of the issue of election of the experts, Ayatollah Azari-Qomi stated: The importance of the experts is based on the significance of the very principle of rule of the supreme jurisconsult [velayat-e faqih] and the Islamic government. This is the principle for which the great imam made every effort to strengthen its foundation whenever he could.

He further emphasized: The imam of the nation used every opportunity to mention the importance of the

Islamic government and the fact that the separation of religion from politics is an imperialist principle and the interests of the Islamic government have preference over other secondary decrees.

Ayatollah Azari-Qomi while pointing out the principles of the Constitution with regard to the principle of rule of the supreme jurisconsult and the duties of the Assembly of Experts said: Those individuals who are deemed qualified from the viewpoint of religious jurisprudence and familiarity with the political issues of the day and who are similarly considered qualified from the standpoint of piety and justice by the people, are required to carry out serious duties enumerated in the Constitution concerning the experts' obligation. He further added: The Assembly of Experts is superior to every and all other revolutionary organs and institutions; and naturally its election should also be carried out in a better and more powerful manner.

With regard to the accomplishments of the first term of the Assembly of Experts he stated: After the death of the imam, the experts have been performing their duties more carefully so much so that there is no doubt in anybody's mind regarding the legitimacy and legality of the said assembly. The election of his excellency Ayatollah Khamene'i as the leader of the Islamic revolution is the most important accomplishment of the first term of the Assembly of Experts.

Our correspondent asked Ayatollah Azari-Qomi: Some people object to the sanctioned laws of the Assembly of Experts or direct criticism towards it. What is your answer to these critics? He said: The Assembly of Experts is the most important pillar of the system and each and every individual should follow the sanctioned laws of the Assembly of Experts and even those of the Islamic Consultative Majles as well. Contrary to some people who believe that they can criticize this assembly, I would like to say that this is not a correct stance.

Here I would like to recite a statement from 'Umar who said: If someone is chosen as a leader or ruler [of course this does not apply to judges], no one should disregard his decrees. It is even stated that other religious jurisprudents should also accept his decrees and they have no right to dismiss them, even though they might not consider them correct.

Along the same line of thought what we here consider as dismissal or overthrow, is prohibited by religion. Here it should be mentioned that we should try to restrain our opposition to a decree as far as possible, since it is very probable that one might say a word in opposition to a certain sanctioned law and render it less effective. That is to say, by opposing the decision of the Assembly of Experts in reality we would be dismissing the initial decision of the ruler of Islam, since the sanctioned laws prepared by the aforementioned experts practically emanate from his person as well.

Ayatollah Azari-Qomi pointing out his meeting with the leader of the nation in the company of Ayatollah Yazdi,

when the latter asked the leader of the revolution: Suppose the Islamic Consultative Majles ratified a law, how can anyone from a pulpit or another forum dismiss this law so much so that he arouses the people's suspicion? Is this allowable? His excellency the imam said "No, this is not permissible." Now I would like to point out the fact to all those individuals who are opposing the recent sanctioned laws and are creating an unconducive atmosphere, even though their argument might be correct, from the viewpoint of the imam of nation and as quoted from 'Umar's statement, this kind of dismissal or refutation would in essence imply a dismissal of the Islamic ruler as well.

Therefore, these individuals have no right to oppose such decisions except by legal means and through the very person of the experts. The imam always used to say that the law would be equally effective on me too. Although he was the source of emulation and the credibility and legitimacy of the laws were all dependent on him, he would say when we enact a law it will equally affect everyone, even himself.

Ayatollah Azari-Qomi further added: Therefore those individuals who express their opposition with the sanctioned laws of the Assembly of Experts, despite the confirmation of the leader of the nation, or create other kinds of obstructions are committing a great sin.

He also stated: A person who is not versed in religious jurisprudence should not become a candidate. Since if such a person registers his candidacy in order to become a member of the Assembly of Experts, under the conditions outlined above, he would have committed a great sin and from the viewpoint of religion his action is objectionable because it is in contradiction to the sanctioned laws of the experts.

In answer to the question: If certain individuals whose qualifications have not been confirmed by the Council of Guardians try to create an unconducive atmosphere and disrupt public unity, then we will be faced with the issue of expediency.

What is your opinion in this regard? Ayatollah Azari-Qomi said: This is a very good question. The agency in charge of the recognition of expediency in our system of government is the Expediency Discernment Council and not the Council of Guardians. The Council of Guardians cannot act to determine expediency. For example, if someone is not a religious jurisprudent and says that a certain matter is not deemed expedient for the system we cannot say since he is not a religious jurisprudent then let's confirm his scientific qualification.

He further added: The great leader of the revolution and the source of emulation is also a source for recognizing expediency. If his person expresses such opinion that would be the final decision for everyone, even for the Council of Guardians.

Likewise, if the Council of Guardians faces a case similar to the one mentioned above, it should take the case to the

leader of the nation and say that according to the law we do not consider this specific person as a religious jurisprudent and we do not have a way to prove the qualifications as well, while at the same time a complete denial does not seem quite appropriate.

Thereafter, the final decision should come from the leader of the revolution and the same should be reflected in the dossier of the candidate in question. For instance, this should be mentioned in a case of expediency which we've confirmed, so that in future it cannot be misused. Of course, the leader of the nation will make a decision based on the interests of Islam and the system of government. There are certain facts which are being considered by the esteemed members of the Council of Guardians and I only mentioned them for public information.

Ayatollah Azari-Qomi was asked: Basically what is the position of the experts in our system of government? Considering the fact that in the Constitution this matter has been addressed: In case the leader of the nation becomes incapable of performing his duties, the experts can remove him from his position. Here can we say that this organ [the Assembly of Experts] has a higher position than that of the leadership?

In answer, he said: "The term 'removal' or 'deposal' is not being used in our Constitution, instead what we use in its stead is the term 'discernment.'" While pointing out Principle 111 of the Constitution he said: The main sentence reads: Whenever the leader becomes incapable of performing his legal duties of leadership or loses one of the qualifications mentioned in Principles Five and that of 109, or it becomes clear that from the very beginning he has been lacking some of the conditions, he will be removed from his position. The discernment of this matter is a duty of the experts.

He also added: The issue of preference and significance of each relies on its own proof. In our system of government people play a determining role and the Islamic Republic relies on the people's votes in all institutions. The source of emulation, the government, the Islamic Consultative Majles and other organs, whether directly or indirectly are chosen by the people. For instance, the very Majles which can install or remove the government or the people which comprise various organs and institutions; can we say that the Majles is above the people or vice versa?

Or in another instance, when someone recognizes that a certain individual has all the qualifications of a superior religious jurisprudent and he becomes a source of emulation for the individual in question, can he say since I was the one to recognize the qualifications of the other person then I am superior to him. On the contrary, the individual who had made the distinction has implicitly admitted that the gentleman of his choosing is superior to himself.

For example, when the experts gather together and select an individual as a religious jurisprudent, a director or an executive familiar with the political issues who has all

the necessary qualifications for leadership and introduce him as the theocratic ruler of the Muslim people, in fact they have accepted him to possess the superior position. According to the statements of Imam Khomeyni such a person is the one with qualifications for an absolute religious jurisconsult and the rest of the people must support and follow his orders.

Of course, there is no need for me to elaborate on these issues, since during this short period of time that his excellency Ayatollah Khamene'i has been elected as the leader of the nation all of us have witnessed, each and every passing day, with the help of God whose blessing is enjoyed by this revolution, that the genius and capability of the great leader of the revolution toward management, leadership, and guidance of the Islamic system becomes ever more clear. The honorific victories of the Islamic Republic which we are witnessing today are all the result of his prudence and intelligence.

While pointing out the recent sanctioned laws of the Assembly of Experts regarding the qualification of the candidates which should be confirmed by the Council of Guardians, our correspondent asked: "Some people say that the qualification of the candidates for the Assembly of Experts is confirmed by the Council of Guardians, on the other hand the members of the Council of Guardians are appointed by the leadership of the revolution, while the experts choose the leader. This is something quite farfetched and illogical."

In response, Ayatollah Azari-Qomi said: Previously I've answered this ambiguity. Those individuals who bring up this matter don't understand the intended meaning of the word "farfetched." Something is farfetched when the very existence of one thing is dependent on the other and vice versa. Thus from a philosophical viewpoint they say it is farfetched, namely an object becomes the very cause for itself, which is impossible.

The recent sanctioned law of the experts will not encompass the definition of the word "farfetched." Basically, during the long term of our legislature we have had many such instances and no one ever objected to it.

For instance, as you know, in Principle 108 of the Constitution one reads: "The law regarding the number and qualifications of experts, the manner of their election, the internal regulation of their sessions for the first term has to be prepared by the primary jurists of the Council of Guardians and approved by the majority of their votes before the final approval of the leader of the revolution." Well, in this principle the uncertainty or farfetchedness of the matter should also occur to the gentlemen, though it never does. Or another example: the jurists of the Council of Guardians are selected by the Islamic Consultative Majles.

Thereafter these same individuals confirm the qualification of the representatives for elections, or for instance the interior minister, who is in charge of the elections, will be voted on by the Majles. Then the same interior

minister sets up elections by means of which our representatives find their way into the Majles. This "far-fetched" term can not be used with its literal meaning in such instances, since the existence of one instance is not dependent on another.

For example, the leadership of Ayatollah Khamene'i is not dependent on the instance for the experts in choosing another leader, since the very existence of the leader himself is not dependent on their selection. The leadership has already been determined.

Moreover, it is the people who elect the experts and not the Council of Guardians. Yet most important of all, the very experts themselves decide and approve that this matter should be handled by the Council of Guardians; namely they make the distinction that this is the best way for having a Majles as reflected in the Constitution.

Thereafter, Ayatollah Azari-Qomi was asked: "Some individuals, despite their lack of necessary qualifications, create the proper atmosphere for gaining access to the Islamic Consultative Majles, while others who do have the required qualifications withdraw from the elections, citing various excuses, such as the high cost of propaganda and publicity." What is your opinion in this regard? In response to this question, he said:

If indeed someone finds himself qualified he must register and announce his candidacy. Some individuals say to themselves suppose I take part in the elections and people do not give me their votes, then I'll lose face, thus they withdraw from the arena altogether. In my opinion, this is an obligatory issue. In case someone has a legitimate reason for not participating in the elections that is all right, otherwise it is the responsibility of the qualified individuals to register and become a candidate. This is not a good excuse when someone says I'm not interested in a higher position or I don't have the patience to go on campaigning. The late imam stated: We should carry out our duties without putting any condition on the results. For instance, someone cannot say if I become certain that I'll win I would participate otherwise I won't. This is shirking of one's duty. The same way as an unqualified person cannot become a candidate, those individuals who have the qualification will be obligated to do so.

Pointing out the political will of the imam, Ayatollah Azari-Qomi stated: You should pay attention to see what the imam says in this instance in his will. This is a quote from the imam: "Proper care should be given to the election of the experts which in turn elect the Council of Leadership or the leader. If those responsible do not take proper caution in electing the experts based on relevant laws and religious rules, they will inevitably inflict irreversible harm on Islam and the country for which they will be responsible before God."

The imam goes on to say: "Thus every single individual, from the very great scholars to the farmers or merchants in the market place, is responsible for the destiny of the country and Islam as well. Whether in the present

generation or in the future generations, negligence and lack of attendance is considered as a great sin."

He further emphasized: I don't think any kind of excuse will be acceptable in front of God. Negligence, whether by the people or by the very qualified individuals who can gain access to the Assembly of Experts, is an inexcusable sin. This is a fact which has been addressed by the imam in his will. Personally, though I don't feel well and traveling is very difficult for me; none the less I registered since I realized it was indeed my obligation.

Those individuals who are qualified should expose themselves to the public and propagandize accordingly. One cannot say that I don't stage any propaganda, but if people voted for me I'll go to the Majles, if not I won't. This is not the correct procedure, since when an act is incumbent its very preliminary procedures will likewise become necessary as well. Propaganda and publicity are certainly the preliminary requirements of election. There is the possibility that some people might not know a candidate, or some individuals might create a favorable atmosphere for themselves without having the proper qualifications. By all means, the qualified individuals should introduce themselves to the public; of course by means of ethical and religious rules and similarly the mass media is obligated to assist these individuals accordingly.

Ayatollah Azari-Qomi said: Certainly those individuals who have been confirmed by the Council of Guardians and duly introduced to the public are all pious and the people should select from amongst these the most devout and pious.

In response to the view that: Some people propose that it seems quite all right to admit nonclerics to the Assembly of Experts who are versed in other areas of expertise such as management and global politics, Ayatollah Azari-Qomi said: Our government is an Islamic government, namely the system is based on Koranic tenets, in other words in all the areas of the system the rule of theocracy prevails. Therefore, those individuals who find their way into the Assembly of Experts should be familiar with the issues of religious jurisprudence and the holy tenets of Islam. Here it should be noted that "cleric" does not mean one who is wearing a turban and a cloak, but it would denote the fact that the individual in question should have studied at the religious schools or seminaries and is quite familiar with the Islamic tenets. Or we can say he should be a religious jurisprudent and according to the recent sanctioned laws of the experts, he should possess a minimum knowledge of the prescribed theological matters.

Similarly, the issue of management and familiarity with the political issues should be based on the Islamic tenets, that is to say an expert should be a religious jurisprudent who can plainly distinguish or discern between sagacity and management based on the Islamic decrees and be able to demonstrate this distinction quite readily.

Furthermore, an expert should be able to distinguish between two religious jurisprudents who are equally versed in management and political issues but somehow unequal from the viewpoint of theocratic rule and their grasp of the scientific knowledge. Such an expert should be able to distinguish between the two and know which one is superior to the other. Therefore, it seems that it will be necessary for the expert to be a cleric who is quite familiar with the issues which will eventually assist him in his discernment.

Sudanese Delegation Meets Defense Minister

9IAS0108E Tehran ETTEL'A'AT in Persian
2 Oct 90 p 3

[Text] Tehran—ISLAMIC REPUBLIC NEWS AGENCY:

Colonel Sulayman Muhammad Sulayman, a member of the Sudanese leadership council and the accompanying delegation, yesterday afternoon (Monday) met and exchanged views with Mr. Torkan, the minister of defense and armed forces logistics.

At this meeting Col. Sulayman, while presenting a report regarding the internal situation of Sudan and analyzing the imperialist plot inflicted on that country via the southern border issues, asked for the expansion of relations and cooperation between the two countries.

He further added: After condemning the Iraq's invasion of Kuwait and the presence of foreign forces near the holy Islamic sites and censure by the two governments of Egypt and Saudi Arabia to the same effect, recently there has been an onrush of relations between the aforesaid government and the Sudanese rebels in the southern region of the country, thus inflicting further pressure on us.

Thereafter the member of the Sudanese leadership council, while emphasizing his motive of friendship and brotherhood for traveling to Tehran, expressed hope that as a result of the significant and foremost role of the Islamic Republic of Iran, proper grounds for closer relations between the two Muslim nations of Iran and Sudan be prepared by means of his trip.

In response Mr. Torkan, while pointing out the importance of the relations of the two countries, stated: Fortunately, the areas of interest for mutual cooperation have been studied and the Islamic Republic of Iran is ready to take practical measures for the realization of these processes. With regard to the problem of the Sudanese southern region, he said: We consider this issue as a problem for all the Islamic nations and support the Sudanese government's efforts in this respect.

Concerning the Persian Gulf crisis, while condemning the occupation of Kuwait by Iraq, Torkan stated that inviting the presence of foreigners close to the holy sites of Islam more than ever before revealed the true nature of the Saudis for the world Muslims.

Castro Sends Message to Rafsanjani

9IAS0108C Tehran JOMHURI-YE ESLAMI in Persian
6 Sep 90 p 3

[Text] Yesterday Hojjat ol-Eslam Hashemi-Rafsanjani, the president, received Mr. Juan Ramon Herrera Machado, minister of the sugar industry of Cuba.

According to the report of the president's public relations office, at this meeting Mr. Juan Ramon Herrera Machado, while delivering a written message from the Cuban president, stated: My main objective for this trip is to stimulate the expansion of our economic relations alongside the favorable political relations between the two countries.

While pointing out the fact that the stance of the two countries of Iran and Cuba with regard to the international issues bear certain similarities, he relayed Mr. Castro's interest for further expansion of relations between the two non-committed countries of Iran and Cuba in all other areas as well.

Thereafter, the minister of the sugar industry of Cuba presented our president with a report concerning negotiations which have been carried out with the pertinent responsible authorities in the areas of agriculture, medicine, and particularly the cultivation of sugar-cane and the production of sugar.

Subsequently, Mr. Hashemi-Rafsanjani, the president, while expressing his appreciation for the kind message of Mr. Fidel Castro and his efforts towards expansion of cooperation, stated: We consider Cuba to be a good friend of our country, and we've witnessed the political cooperation between the two nations after the advent of the revolution. Although the economic cooperation has not been quite satisfactory, we hope as a result of your suggestions we also witness further expansion in the area of economic cooperation as well.

Dr. Kalantari, the minister of agriculture, was also present at this meeting.

Literacy Rate Rose to 67.7 Percent During Last Decade

9IAS0108A Tehran JOMHURI-YE ESLAMI in Persian
9 Sep 90 p 3

[Text] During the 10 years of activity of the Literacy Movement the rate of literacy throughout the country has increased from 47.2 percent to 67.7 percent.

Engineer 'Ali Vatani, supervisor of the Literacy Movement, in a message to the director general of UNESCO [United Nations Educational, Scientific, and Cultural Organization] on the occasion of the day to combat illiteracy throughout the world, while making the above statement, further noted: The policy of the Islamic Republic towards the issue of literacy goes far beyond the proper Iranian nationals, it also encompasses the

Iraqi POWs, the Afghan refugees, and the prisoners throughout the country as well.

According to IRNA [Islamic Republic News Agency], in part of the above-stated message it is also reflected that the Literacy Movement in 1369 [21 March 1990-20 March 1991] in its first phase has been able to enroll more than 900,000 individuals between the ages of 10-35 throughout the urban areas.

In the second phase, the movement will enroll more than 2.5 million illiterate individuals from the rural regions. In comparison to a year ago, this figure indicates a 500 percent increase. The supervisor of the Literacy Movement, in his message to the director general of UNESCO, has urged the latter organization to further cooperate in order to eradicate the phenomenon of illiteracy.

Employment of Women as Secretaries, Operators Discouraged

91AS0108D Tehran JOMHURI-YE ESLAMI in Persian 9 Sep 90 p 4

[Excerpt] Zanjan—JOMHURI-YE ESLAMI correspondent: Ayatollah Musavi, the representative of the supreme jurisconsult [vali-ye faqih] and the Friday imam of Zanjan, explicitly asked the directors and other responsible authorities of that province to discourage employment of women as operators and secretaries.

Ayatollah Musavi, during a meeting of the administrative session of Zanjan, which was attended by the representative of the people of Zanjan, the directors, the

governors, the lieutenant governors, and other responsible officials of the province and was presided over by the governor general at the office of the governor of Zanjan, while pointing out the frequent letters and requests of the people of that city, asked the executive directors and other responsible officials to discourage employment of women as secretaries and operators. [passage omitted]

Intercity Phone Line To Be Converted to Digital

91AS0116I London KEYHAN in Persian 26 Oct 90 p 4

[Text] The Islamic Republic plans to install 450,000 digital telephones along with the equipment necessary to use this type of cable line by signing a \$380 million contract with the German Standard Electric Lorenz Company. The Standard Electric Lorenz Company is affiliated with Alcatel electric industries of France. Last year this company obtained an order from the Islamic Republic's Ministry of Post, Telegraph, and Telephone to create special land stations for the coastal satellite network.

According to the London economic weekly MEED [Middle East Economic Digest], the German Standard Electric Lorenz Company is responsible for building a factory in Iran within three years to produce cable equipment for a digital telephone network. In carrying out the project to build this factory several foreign countries will participate financially.

In its report, MEED writes that to expand the domestic and intercity telephone network during the five-year economic expansion plan, the Islamic Republic's Ministry of Post, Telegraph, and Telephone plans to implement numerous projects.

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16

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